



Nipco plc RC: 399339
... partnership that fuels the nation



GROUP ANNUAL REPORT **2025**



Our Vision

To be first choice company in Oil & Gas industry to all stakeholders.

Our Mission

NIPCO PLC is committed to meeting the needs of all stakeholders in the downstream sector of the oil and gas industry by providing quality services in petroleum product storage and handling in an environment that is friendly, safe and dignifying.





NIPCO PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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GROUP ANNUAL REPORT

NIPCO PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

BOARD OF DIRECTORS, PROFESSIONAL ADVISERS, ETC.

Registration Number: RC 399339

Tax Identification Number (TIN) TIN 01622955-0001

Board of Directors:	Designation	Nationality
Chief (Dr) Bestman P. Anekwe	Chairman	Nigerian
Suresh Kumar	Managing Director	Indian
Alhaji Abdulkadir Aminu (Wali Adamawa)	Group Executive Director (Corporate Services)	Nigerian
Ramesh Virwani	Non-Executive Director	Indian
Alhaji Habu Jajire	Non-Executive Director	Nigerian
Alhaji Sharif Usmania	Non-Executive Director	Nigerian
Alhaji Sani Yau	Non-Executive Director	Nigerian
Grace O. Idowu (Mrs.)	Non-Executive Director	Nigerian
Ramesh Kansagra	Non-Executive Director	British
Rishi Kansagra	Non-Executive Director	British
Tunji Adeniji	Non-Executive Director	Nigerian

Registered Office: 1 & 15 Dockyard Road
Apapa, Lagos State

Company Secretaries: P.C. Obi and Co.
Providence Chambers
37, Norman William Street
Off Awolowo Road, S.W. Ikoyi
Lagos, Nigeria

Independent Auditors: I.C. Osisioma & CO
(Chartered Accountants)
4, Fola Jinadu Crescent
Gbagada Phase 1
Lagos State.

Registrar: Coronation Registrars Limited
9-12 Amodu Ojikutu Street
Off Saka Tinubu Street
Victoria Island, Lagos State.

Bankers: Access Bank Plc
First Bank of Nigeria Limited
Guaranty Trust Bank Plc
Zenith Bank Plc
Zenith Bank (UK) Limited
Sterling Bank Plc
Globus Bank Limited
Fidelity Bank Plc



NOTICE OF ANNUAL GENERAL MEETING
FOR THE YEAR ENDED 31ST DECEMBER, 2025

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of members of NIPCO PLC will be held at the Ladi Kwali Hall of ABUJA CONTINENTAL HOTELS (formerly Sheraton Hotels, Abuja), 1, Ladi Kwali Way, Maitama, Abuja on the 9th July, 2026 at 12 noon to transact the following business: -

ORDINARY BUSINESS

1. To lay before the members, the Audited Financial Statements, the Reports of the Directors, Report of Auditors and Statutory Audit Committee thereon;
2. To declare a Dividend;
3. To authorize the Directors to fix the remuneration of the External Auditors for the 2025 financial year;
4. To disclose the remuneration of the Managers
5. To elect / re-elect Directors;
6. To elect / re-elect members of the Statutory Audit Committee;

SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions as ordinary resolutions of the Company:

7. To fix the remuneration of the Directors;

NOTES:

A. PROXY: -

A member of the company who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her/its stead. A proxy need not be a member of the company. A blank form is attached to this Annual report. For the appointment of a proxy to be valid for the AGM, a duly completed Proxy Form must be received in the office of the Company's Registrars, Coronation Registrars Limited, at Plot 9, Amodu Ojikutu Street, off Bishop Oluwole Street, Victoria Island, Lagos or sent to info@coronationregistrars.com not later than 48 hours before the time for holding the meeting. The Company has made arrangements to bear the cost of stamp duties on the instruments of proxy.

B. DIVIDEND AND CLOSURE OF REGISTER: -

If the dividend recommended by the Directors is approved, those shareholders whose names are registered in the Register of Members at the close of business on 11th June, 2026 shall have their designated bank accounts credited directly on 9th July, 2026. Notice is hereby given that the Register of Members and Transfer books will be closed from 12th June, 2026 to 16th June, 2026 (both days inclusive) to enable preparation and payment of dividend by the Registrars.



C. NOMINATION FOR THE AUDIT COMMITTEE: -

The Audit Committee consists of three shareholders and two Directors. In accordance with section 404(6) of the Companies and Allied Matters Act, 2020, any Shareholder may nominate another Shareholder as a member of the Audit Committee by giving in writing, notice of such nomination to the Company Secretary at least 21 days before the date of the Annual General Meeting (such nomination should include a short bio-data of the nominee).

The National Code of Corporate Governance, 2018 (NCCG, 2018) stipulates that members of the Audit Committee should have basic financial literacy and should be able to read the Financial Statements.

D. E-DIVIDEND

Notice is hereby given to all shareholders to open bank accounts for the purpose of dividend payment. A detachable e-dividend payment mandate and change of address form is attached to the Annual Report to enable shareholders furnish particulars of their bank and CSCS Accounts numbers to the Registrar.

E. UNCLAIMED DIVIDEND

A number of dividends have remained unclaimed; Shareholders who are yet to claim their outstanding dividends are advised to contact the Company Secretaries or the Registrars, Coronation Registrars Limited, Plot 9, Amodu Ojikutu Taylor Street, off Bishop Oluwole Street, Victoria Island, Lagos.

F. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS

Shareholders have a right to ask questions not only at the meeting, but also in writing prior to the meeting and such questions must be submitted to the Company on or before rd23 June, 2026.

G. ELECTRONIC ANNUAL REPORT

The soft copy of the 2025 Annual Report is on our website and also sent to our shareholders who have provided their email addresses to the Registrars. Shareholders who are interested in receiving the soft copy of the 2025 Annual Report should request via email to: info@coronationregistrars.com

H. STREAMING:

The Annual General Meeting will be streamed live via the Company's website: <https://www.nipcopl.com>. This will enable shareholders who will not be attending the meeting physically to be part of the proceedings. The link for live streaming can be found on the Company's website



I. SUBMISSION OF TAX IDENTIFICATION NUMBERS

The company has been unable to remit the Withholding Tax on Dividends on behalf of Shareholders to the Federal Inland Revenue Service [FIRS]. All Shareholders are therefore by this medium requested to submit to the office of the Company Secretaries their Tax Identification Numbers [TIN NOS.] for purposes of remittance of same to the FIRS.

Dated this 9th day of June, 2026

BY THE ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'P. C. OBI', written over a horizontal line.

P. C. OBI & CO.
COMPANY SECRETARIES
FRC/2025/COY/352239

REGISTERED OFFICE: *
1&15 DOCKYARD ROAD,
APAPA, LAGOS.
www.nipcoplc.com



NIPCO PLC

FINANCIAL HIGHLIGHTS

	Group			Company		
	2025 ₦'000	2024 ₦'000	Change %	2025 ₦'000	2024 ₦'000	Change %
Revenue	2,786,071,249	2,331,629,943	19	1,979,256,708	1,458,457,892	36
Profit Before Taxation	50,803,947	43,167,312	18	17,270,729	18,251,706	(5)
Taxation	(9,878,671)	(15,307,901)	35	(5,043,972)	(6,823,631)	26
Profit After Taxation	40,925,276	27,859,411	47	12,226,757	11,428,075	7
Total Comprehensive Income	810,886,991	26,168,316	2,999	87,912,019	11,150,070	688
Earnings per Share (₦)	218.07	148.45	47	65.15	60.90	7
Total Assets	2,332,721,578	884,115,437	164	755,068,455	505,674,697	49
Total Liabilities	1,294,815,151	654,197,993	98	564,939,296	402,143,879	40
Issued and fully paid share capital (Units)	187,668	187,668	-	187,668	187,668	-

*Total Comprehensive Income arises Due To revaluation surplus during the year. (ref. Note 15)



MANAGING DIRECTOR'S SPEECH

NIPCO PLC: DELIVERING VALUE, DRIVING GROWTH, AND EXPANDING HORIZONS

ADDRESS BY THE MANAGING DIRECTOR OF NIPCO PLC, MR SURESH KUMAR AT THE 22ND ANNUAL GENERAL MEETING (AGM) HELD AT ABUJA CONTINENTAL HOTEL, FCT, ABUJA.



Distinguished shareholders, regulatory agencies, members of the press, and esteemed guests,

I am honoured to present this address at the 22nd Annual General Meeting of NIPCO Plc. As we reflect on the financial year 2025, I am proud of the resilience and adaptability demonstrated by our management and staff in the face of stiff competition and unpredictable market dynamics. Despite these challenges, we have maintained our position as one of the leading downstream operators in the country, reinforcing our reputation for reliability and delivery of superior service.

Business Environment

The global energy sector is undergoing significant transformations, driven by geopolitical tensions, and the accelerating march toward energy transition. Nigeria, as a major player in the global energy market, is navigating these challenges and opportunities to ensure sustainable growth and development.

Nigeria's industry developments are framed by two significant milestones. Firstly, the recent comprehensive deregulation of Nigeria's downstream sector and the transition to a market-based gasoline pricing system represent a fundamental shift in the market trajectory in the business ecosystem. Deregulation introduces new opportunities for competition, transparency, and efficiency, while market-based pricing establishes a pathway for stability and equitable value distribution across the supply chain. There is no gain saying to inform that the policy also ushers some challenges which respective companies have to devise appropriate anecdote to mitigate.

We also acknowledge the commissioning of the Dangote Refinery, a significant industrial project with a refining capacity of 650,000 barrels per day. The facility represents an important addition to Nigeria's refining infrastructure and is expected to contribute to regional energy supply and economic activity across West Africa.

These two milestones collectively will shape industry dynamics for years to come, influencing everything from refining operations and distribution to market competition and consumer access. Nonetheless, as stakeholders advocate for the complete deregulation of the sector, permitting operators to source products independently while adhering to quality assurance standards is imperative.

Your Company has made significant strides in strengthening Nigeria's hydrocarbon industry, with a focus on indigenous capacity and sustainable growth. Our recent acquisition of a stake in Savannah Energy Plc marks a major milestone in our strategic growth trajectory, positioning us for expansion in the upstream sector and diversifying our portfolio.

Human Capital

Our human resource remains the driving force behind our achievements. We invest in their development, nurture their talents, and empower them to excel and deliver value. This focus on human capital has yielded a resilient, adaptable, and high-performing workforce, enabling us to navigate challenges and seize opportunities.

Strategic Business Units (SBUs):



White Oil and Liquefied Petroleum Gas [LPG] Division

NIPCO Plc has sustained its competitive edge in Nigeria's downstream petroleum sector through disciplined expansion and operational resilience. Over the past year, the company increased its branded retail footprint to over 400 outlets nationwide for white products including petrol and diesel. Several additional stations are currently at incubation stage ahead of inauguration, reinforcing NIPCO's strategy to deepen market penetration and improve product availability across key corridors. Despite persistent challenges in the regulated downstream environment, the division has maintained steady supply and service standards, consolidating NIPCO's position as a trusted fuel distributor. We will continue to expand our white oil station network and strengthen our footprint generally

The LPG Division focuses on the supply and distribution of cooking gas for household and commercial use. NIPCO operates a robust value chain that supports bulk sales to company-owned skids located across the country, as well as to private companies within the LPG sector.

During the year under review, the division maintained strong performance backed by a combined storage capacity of about 19,500 metric tonnes and 10 loading bays capable of trucking over 4,000 tonnes daily. This infrastructure enables NIPCO to ensure steady supply and reach, making LPG more accessible to millions of Nigerians seeking a cleaner alternative to traditional cooking fuels.

NIPCO Gas Limited Compressed Natural Gas & Piped Natural Gas Operations

NIPCO Gas Limited is a pioneer and market leader in Nigeria's compressed natural gas and piped natural gas segments. The company currently operates 25 Auto CNG stations nationwide and is constructing an additional 20 stations to expand access across the country. To date, NIPCO Gas has facilitated the conversion of over 8,000 vehicles to run on CNG, supporting the shift toward cleaner and more cost-effective transportation. Through its strategic partnership with NNPC Gas Marketing Limited (NGML) and the Presidential CNG Initiative, NIPCO Gas is rolling out 35 additional CNG stations to serve intra-city and inter-city transport networks, with a target of supporting over 200,000 vehicles daily. The division also holds Gas Distribution Licences for Ibadan, Benin City, and the Lekki Free Trade Zone, granting it 25-year exclusivity to develop gas infrastructure in these regions. This expansion aligns with the Federal Government's policy to promote natural gas as an alternative auto fuel and to leverage Nigeria's abundant gas reserves for cleaner, more affordable, and sustainable transportation.

Upstream Division:

Strategic Investment in Savannah Energy Plc

A defining milestone for NIPCO in the year under review is its strategic entry into the upstream and midstream gas sector through a significant equity investment in Savannah Energy Plc. NIPCO initially acquired approximately 19.4% of Savannah's enlarged share capital through a £28.7 million transaction involving primary subscription and secondary market purchases. The company has since moved to further increase its stake to about 25%, with potential to reach 26.5% upon completion of additional secondary market acquisitions.

Hospitality Division

Abuja Continental Hotel. Through its subsidiary 22 Hospitality Ltd, NIPCO Plc has established a strong foothold in Nigeria's hospitality sector with the acquisition of a majority stake in Capital Hotels Plc, owners of Abuja Continental Hotel. The hotel, formerly Sheraton Abuja, is undergoing a phased renovation and repositioning to restore it as a premier luxury destination in the capital.



NIPCO's vision is to align the hotel with global service standards while contributing to Nigeria's hospitality industry through skills development, including plans for a Hospitality Academy in partnership with the Federal Government.

Looking ahead to 2026, we are committed to building on our strengths and leveraging our core values of integrity and dedication to drive growth and profitability. We will continue to prioritize your interests, leveraging opportunities, managing risks, and driving sustainable growth in the country's energy sector.

As we gaze into the future, we remain committed to building upon and exploring new growth opportunities. NIPCO will continue to invest in CRITICAL / Relevant / Requisite / infrastructure across its various business verticals in the country there by not only growing the company but also will endeavour to touch the lives of Nigerians.

Appreciation

I would like to express my gratitude to our Board, management team, and staff for their hard work and commitment to excellence. We appreciate the guidance and support of our stakeholders, regulatory agencies, and government bodies. We thank our loyal customers for their continued patronage and loyalty. And to our esteemed shareholders, we express our gratitude for your trust and confidence in NIPCO Plc.

Together, we will continue to drive growth, innovation, and excellence in the country's energy sector.

Thank you.

A handwritten signature in black ink, appearing to read 'Suresh Kumar', with a stylized flourish at the end.

Suresh Kumar
Managing Director/CEO
NIPCO PLC



GROUP ANNUAL REPORT

NIPCO PLC : BUILDING A SUSTAINABLE ENERGY FUTURE

An Address by NIPCO Plc Chairman, Chief Bestman Anekwe, at the 22nd Annual General Meeting held at Abuja Continental Hotel, FCT, Abuja.



Distinguished shareholders, esteemed guests, members of the Board of Directors, representatives of regulatory bodies, members of the press, Ladies and Gentlemen

I am honoured to welcome you to the 22nd Annual General Meeting of NIPCO Plc. This meeting presents an auspicious opportunity to review our performance over the past year, discuss the evolving operating environment, and outline our roadmap for 2026 and beyond.

Your Company remains a major player in the nation's energy sector. Our recent acquisition of stakes in other entities, alongside our commitment to diversification and innovation, demonstrates that our expansion strategies are yielding results and that a bright future lies ahead for the company and its shareholders. We are conscious of our rapid growth and remain dedicated to leading the industry in profitability, market share, and investor confidence.

Business Environment

Nigeria's energy sector is central to the government's "Renewed Hope Agenda." In 2025, the Federal Government introduced significant reforms to attract investment and align the sector with the country's industrialization goals. The hydrocarbons industry has undergone significant changes, particularly with the full deregulation of the downstream sector. While this shift has brought about challenges, it also presents opportunities for growth, innovation, and investment. As stakeholders, we must work together to create an agile regulatory framework that supports vertical integration, technology adoption, and efficient operations. The consensus among industry players is that Nigeria's oil and gas sector has immense potentials waiting to be tapped. With the right policies in place, we can attract significant investments, boost local content, create jobs, and generate bounteous revenue.

The increasing demand for energy, coupled with the country's vast reserves, positions Nigeria as a key player in the global energy landscape. However, we must address pressing issues such as infrastructure deficits, operational inefficiency, and environmental concerns. The industry must prioritize sustainable practices, invest in technology, and develop local talent to drive growth. We must also foster collaboration between government, regulators, and industry players to create conducive environment for investment and innovation. I believe that with collaborative efforts, Nigeria's oil and gas sector is poised for a bright future, much capable of driving economic growth, job creation, and sustainable development.

Key developments included the launch of the 2025 Licensing Round, offering 50 blocks under flexible frameworks, and the approval of 43 new Field Development Plans (FDPs). In 2025, oil output reached 1.71 million barrels per day, and gas-to-power supply reached its strongest levels in months.

While the industry faced challenges due to insecurity and the divestment of multinationals from onshore assets, these shifts have nonetheless provided indigenous firms with unique opportunities to grow. The Gas Master Plan, recently unveiled, is expected to accelerate infrastructure development and monetize reserves, aligning with the "Decade of Gas" initiative. As the market transitions through deregulation, I applaud the regulators for continually seeking to ensure a level playing field and protecting the interests of all stakeholders in line with the Petroleum Industry Act (PIA).

With the right policies and collaborative approach, Nigeria's Oil and Gas industry is poised to bring about a future where the industry becomes a major driver of economic growth, job creation, and sustainable development.

Our Strategy

Our company remains committed to augmenting its investment portfolio across all business lines, while evolving and implementing more pragmatic marketing strategies to maintain a competitive edge and stay ahead of industry peers.



GROUP ANNUAL REPORT

Landmarks in 2025

A significant milestone for the year was NIPCO Plc's acquisition of approximately 21% of Savannah Energy's share capital. As the largest shareholder, this strategic investment reinforces our confidence in the gas sector and strengthens our position in the upstream operations.

Operating Results

Distinguished Shareholders,

Our operating results for the year ended December 31, 2025 reflect a robust performance. The Company recorded a turnover of N1.979 trillion, with Profit Before Tax of N17.271 billion and Profit After Tax of N12.227 billion.

The Board of Directors is recommending a dividend payout of N1.501 billion, translating to N8.00 per ordinary share. The dividend is payable subject to shareholders' approval and deduction of withholding tax at the prevailing rate.

This dividend of 800 kobo per share, despite the current headwinds in the sector, demonstrates the Company's resolve to consistently grow shareholders' return on investment. The improved dividend, as recommended by the Board, also reflects the Board's unalloyed confidence in, and appreciation of, the shareholders' continued trust in the Board and Management.

The Board remains resolute in its commitment to continuously deliver outstanding returns and sustainable value to our shareholders.

Our efforts remain focused on enhancing operational efficiency and driving sustainable growth. We are committed to strengthening the foundation of NIPCO Plc to ensure improved shareholders value and consistent returns on your investment.

Acknowledgment

I would like to extend my sincere appreciation to the Board of Directors of the Company for their visionary leadership. I also thank the management and staff for their tireless dedication. To our esteemed shareholders, I express my deepest gratitude for your continued trust and support while looking forward to your continued support as we strive to position our company as a leading player in Nigeria's downstream sector.

Conclusion

Your Company remains committed to delivering value to our stakeholders, and we will continue to navigate market dynamics and capitalize on emerging opportunities to reinforce our position as a leading player in Nigeria's downstream sector.

Best regards,

Chief Bestman Anekwe
Chairman, NIPCO Plc



GROUP ANNUAL REPORT

NIPCO PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors submitted their report together with the audited consolidated financial statements for the year ended 31 December 2025, which disclose the state of affairs of the Company.

Legal Form

The Company was incorporated as a private limited liability Company on 08 January 2001 with an authorized share capital of 1,000,000 ordinary shares of ₦1.00 each. The Company's authorised share capital was subsequently increased to 300,000,000 ordinary shares of ₦1.00 each.

Principal Activity

The principal activity of the Group continues to be the buying, storing and distributing of petroleum products to IPMAN members and others. The Group also deals in Liquefied Petroleum Gas (LPG), Natural Gas (NG), Leasing of investment property and Hospitality business.

Changes in the Reporting Framework

The nature and effect of the changes resulting from adopting the new accounting standards are described in the accompanying financial statements.

Several amendments and interpretations applied for the first time in 2025, but do not have a significant impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

State of Affairs

In the opinion of the Directors, the state of the Company's affairs is satisfactory and no events have occurred since the reporting date, which would affect the financial statements as presented.

Operating Results	Group		Company	
	2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000
Revenue	2,786,071,249	2,331,629,943	1,979,256,708	1,458,457,892
Profit before tax	50,803,947	43,167,312	17,270,729	18,251,706
Tax expense	(9,878,671)	(15,307,901)	(5,043,972)	(6,823,631)
Profit for the year	40,925,276	27,859,411	12,226,757	11,428,075

Directors

The Directors who held office during the year and to the date of this report were:

		Nationality
Chief (Dr) Bestman P. Anekwe	Chairman	Nigerian
Suresh Kumar	Managing Director	Indian
Alhaji Abdulkadir Aminu (Wali Adamawa)	Group Executive Director	Nigerian
Ramesh Virwani	Non-Executive Director	Indian
Tunji Adeniji	Non-Executive Director	Nigerian
Ramesh Kansagra	Non-Executive Director	British
Alhaji Habu Jajire	Non-Executive Director	Nigerian
Alhaji Sharif Usmania	Non-Executive Director	Nigerian
Rishi Kansagra	Non-Executive Director	British
Grace O. Idowu (Mrs.)	Non-Executive Director	Nigerian
Alhaji Sani Yau	Non-Executive Director	Nigerian



GROUP ANNUAL REPORT

NIPCO PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Directors and Other Shareholding

The direct interests of Directors in the issued share capital of the Company as recorded in the register of Directors shareholding and/or as notified by the Directors for the purposes of section 301 of the Companies and Allied Matters Act 2020 are:

Directors	Year 2025		Year 2024	
	Direct	%	Direct	%
	No. of Shares	Shareholdings	No. of Shares	Shareholdings
Chief (Dr) Bestman P. Anekwe	700,000	0.37%	700,000	0.37%
Tunji Adeniji	87,500	0.05%	87,500	0.05%
Alhaji Abdulkadir Aminu (Wali Adamawa)	100,000	0.05%	100,000	0.05%
	887,500	0.47%	887,500	0.47%

Total unit of shares **187,668,329** **187,668,329**

Substantial Interest in Shares

According to the Register of Members, no one person or organisation other than Purebond Ltd held more than 5% of the issued share capital of the Company as at 31 December 2025.

Analysis of Shareholding

The issued and fully paid-up share capital of the Company is ₦187,668,329 divided into 187,668,329 ordinary shares of ₦1.00 each. According to the Register of Members, Purebond Limited of Portland House, 69/71 Wembley Hill Road, Wembley, Middlesex, HA9 8BU, England, has 120,000,000 ordinary shares of ₦1.00 each representing 64% of the issued share capital of the Company.

The shareholding range analysis as at 31 December 2025 is as shown below;

Beginning Range	Ending Range	Total Shareholders	Units
1	100,000	1183	27,171,441
100,001	500,000	74	17,239,184
500,001	1,000,000	15	12,581,356
1,000,001	and Above	7	130,676,348
		1,279	187,668,329

Directors' Interests in Contracts

For the purpose of section 303 of the Companies and Allied Matters Act 2020, none of the Directors has notified the Company of any direct or indirect interest in contracts or proposed contracts with the Company during the year.

Directors' Remuneration

The Company ensures that remuneration paid to its Directors complies with the provisions of the Code of Corporate Governance issued by its regulators. In compliance with Section 34(5) of the Code of Corporate Governance for Public Companies as issued by the Securities and Exchange Commission, the Company makes disclosure of the remuneration paid to its Directors as follows:

Type of Package	Description	Timing
Basic salary	It is part of the gross salary package for Executive Directors only.	Paid during the financial year.
Allowances	It is part of the gross salary package for Executive Directors only.	Payable at periodic intervals during the financial year.
Productivity bonus	It is paid to Executive Directors only and tied to the performance of line report.	Payable annually in arrears.
Directors fees	It is paid to Non-Executive Directors only.	Payable annually
Sitting allowance	Allowance paid to Non-Executive Directors for attending Board meetings and Board committee meetings.	Paid after each meeting.



GROUP ANNUAL REPORT

NIPCO PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Dividend

The Board has proposed ₦8.00 dividend in respect of the financial year ended 31 December 2025 (2024: ₦7.00).

Property, Plant and Equipment

Information relating to changes in property, plant and equipment is given in Note 15 to the Financial Statements. In the opinion of the Directors, the market value of the Company's property, plant and equipment is not less than the value shown in the financial statements.

Subsidiaries

The parent Company has 3 subsidiaries (NIPCO Investments Limited, NIPCO E&P Limited and NIPCO Gas Limited), and 3 sub-subsidiaries (11 PIC, 22 Hospitality Limited and 44 Hospitality Limited). 11 Plc has a subsidiary called 11 Hospitality Limited. 22 Hospitality Limited has a subsidiary called Capital Hotel Plc. The Group engages in the sale of natural gas (compressed natural gas (CNG) and piped natural gas (PNG)), investment activities, leasing of investment property, hotel services and buying, storing, selling and marketing of petroleum products and liquefied petroleum gas (LPG).

Donations and Charitable Gifts

Donations of ₦120,573,750 were made to Road reconstruction, Education, Charitable Gift and Sponsorship in 2025 (2024: ₦103,500,000).

Human Resources

Conflict Resolution

NIPCO Plc recognizes that conflicts may arise among individuals who bring different skills, qualities and personalities into the workplace. Early resolution of these conflicts is in everyone's best interest. Throughout the Company, it provides processes and procedures to help employees and managers resolve conflicts in the workplace. We encourage all employees to seek information about conflict resolution from their managers or HR Central.

Workplace Violence

The Company is committed to providing a safe and secure work environment for its employees and visitors. All individuals on the Company premises must treat one another with respect and courtesy. The Company will not tolerate acts or threats of violence. To support the Company's "zero tolerance" position toward workplace violence, both employees and visitors to the Company's facilities must report instances of actual or threatened violence on the Company premises.

The Company's Workplace Violence Policy provides guidelines on the appropriate actions if employees and visitors witness actual or threatened acts of violence. Depending upon the nature and severity of the incidents, the Company will engage law enforcement authorities, on-site security guards, community mental health advisors, or Human Resources to take prompt action to remove, discipline, counsel or prosecute any individual on the Company premises who poses a safety risk or commits an act of violence. The Company prohibits the possession of weapons in the workplace.

Non-Discrimination

The Company is committed to providing a work environment free from any illegal discrimination based on race, colour, religion, national origin, gender, age, disability, sexual orientation, marital status, or any other unlawful factor to the fullest extent required by law. Decisions concerning hiring, performance appraisals, and promotions will be based only on those factors permitted by law, such as an employee's qualifications, skills, and achievements.

NIPCO Plc's policy is to comply with applicable human rights and employment laws. We do not tolerate unlawful discrimination in any aspect of employment, including employment terms and conditions, recruiting, hiring, compensation, promotion, or termination.

Harassment

NIPCO Plc is committed to providing a working environment that is free from harassment based on personal characteristics, including race, colour, religion, national origin, gender, age, disability, sexual orientation, marital status, or any other characteristic protected by applicable law. We do not tolerate conduct that creates an intimidating or offensive work environment.



NIPCO PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Employment of Disabled Persons

The Company continues to maintain a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitudes. The Company's policy prohibits discrimination of disabled person in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts will be made to ensure that their employment with the Company continues and appropriate training arranged to ensure that they fit into the Company's work environment.

Health, Safety and Welfare at Work

The Company enforces strict health and safety rules and practices at work environment, which are reviewed and tested regularly. The Company retains top-class private hospitals where medical services are provided for staff at the Company's expense.

Fire prevention and Fire-fighting equipment are installed in strategic locations within the Company's premises.

The Company operates both Company Personal Accident and contributing to the Nigeria Social Insurance Trust Fund in compliance with the requirements of Employees Compensation Act (ECA), 2010. It also operates a contributory pension plan in line with the Pension Reform Act, 2014.

Employee Involvement and Training

The Company ensures, through various fora, that employees are informed on matters concerning them. Formal and informal channels are also employed for communication with employees along with an appropriate two-way feedback mechanism.

In accordance with the Company's policy of continuous development, training facilities are provided in the Company's training school. In addition, employees of the Company are nominated to attend both locally and internationally organized courses. These are complemented by on-the-job training.

Business Conducts and Ethics

NIPCO Plc is a principle-based Company, the reputation of our Company is formed by each and every experience that customers, business partners, suppliers and the community have with us. We treat each other and our business partners with respect, honesty and fairness. We value the unique qualities, abilities and perspectives each person brings to a challenge or opportunity, and we also know that as a team we can achieve together what would remain out of reach for us individually. We communicate openly and candidly with each other and extend our respect and team spirit to customers, partners, suppliers and the communities in which we live and work.

- **Customer Dedication:** We genuinely care about our customers and are dedicated to serving them well. We learn their markets, understand their specific goals and objectives, and develop solutions that deliver business value.
- **Performance:** We commit to high performance in all functions. We take personal ownership for the success of our Company and work together to continuously improve and achieve best-in-class performance.
- **Innovation:** Throughout our history, NIPCO Plc's ability to harness the power of new ideas and put them to work for our customers in the real world has defined our Company and fuelled our leadership. Innovation powers the engine that drives our success now and in the future.
- **Supplier and Customer Relations:** We require our vendors, agents, subcontractors and their employees to demonstrate honesty, integrity and fairness, and to adhere to our ethical standard of business operation.

Anti-Bribery and Anti-Corruption Laws

The Corrupt Practices and other Related Offences Act 2000, Anti-Bribery and Anti-Corruption Laws around the world, including the U.S. Foreign Corrupt Practices Act ("FCPA"), 1977, the U.K. Bribery Act, 2010 and other anti-bribery and anti-corruption laws (collectively, "Anti-corruption Law").

NIPCO Plc expects all NIPCO Plc Directors, Officers and Employees, as well as its Consultants, Agents, Channel Partners and other third-party representatives to observe and comply with all Anti-Corruption Laws.



NIPCO PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Gifts and Hospitality

Gift-giving practices vary around the world. Generally, gifts are given to foster goodwill and, in some parts of the world, declining a gift may insult the giver. On the other hand, accepting or giving a gift may create a conflict of interest or the appearance of a conflict, and may also violate applicable Anti-Corruption Laws.

Independent Auditors

In accordance with Section 401(2) of the Companies and Allied Matters Act 2020, Messrs. I.C. Osisioma & CO. (Chartered Accountants) will be appointed to office as Auditors to the Company having indicated their willingness to do so.



BY ORDER OF THE BOARD
P.C. Obi and Co.
FRC/2025/COY/352239
Company Secretaries
37, Norman William Street
Off Awolowo Road, S.W. Ikoyi
Lagos, Nigeria



NIPCO PLC

SUSTAINABILITY REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

NIPCO Plc has chosen not to early adopt IFRS S1 and S2, however, continuing success of the Company is hinged on its commitment to a culture of conducting its business in a sustainable manner, hence the disclosure below.

NIPCO Plc takes responsibilities as a member of the business community very seriously. We are committed to conducting all aspects of business in an environmentally sound manner. We are vigilant when it comes to the safety and health of our employees. We also look out for the needs of our customers and the general public.

We strive to minimize the environmental footprint of our operations and products, while also delivering innovative technologies and solutions designed to help businesses and consumers reduce their own environmental footprint.

NIPCO Plc has a rich history of providing high-quality, innovative solutions that meet our customers' needs in an ever-changing market-place. But a great Company is more than the product it sells. We believe a great Company is focused on long-term and sustainable growth, placing just as much emphasis on growing its product line as it does on growing its employees and the communities it serves. As a member of the community, NIPCO Plc acts responsibly toward our customers and the environment in which our products, operations and services are deployed.

NIPCO Plc is committed to complying with legislative requirements that cover product recycling, recovery, treatment, management and disposal of electrical and electronic equipment.

NIPCO Plc's end-of-life hardware management services ensure secure and environmentally responsible product decommissioning, recycling, treatment, and compliant disposal. Our decommissioning and recycling programs are compliant with international recycling legislation.

NIPCO Plc is committed to complying with applicable health and safety regulations related to protecting employees and providing working conditions that are free from recognized hazards. NIPCO Plc's workplace programs are designed to protect the safety and health of employees and to prevent and mitigate workplace incidents that could arise from abnormal operating conditions and potential emergency situations. As with other areas of the business, NIPCO Plc strives for continuous improvement in the area of workplace health and safety.

NIPCO Plc is a place where people want to come to work because they are continuously invigorated by new ideas and are engaged in improving how we do business. It is a place that recognizes its profound responsibility to the communities where it does business, striving to help those communities thrive by supporting local institutions and employing people who make volunteer work a priority. It is an organization that sees environmental stewardship not as the latest new trend, but as a critical issue in sustaining the future- ensuring our natural resources are protected and preserved.

This is who we are. This is NIPCO Plc. We expect business partners throughout our supply chain to embrace the same principles we, as an organization, share. Being a responsible corporate citizen is born from both the actions we take as individuals and together as an organization.

Though these are not new ideas at NIPCO Plc, we want to renew our focus by capturing stakeholders imagination, creativity and good sense to help us promote these key areas:

a. Employees

NIPCO Plc strives to provide a positive and engaging work environment, tools and rewards that support success for employees. We are committed to diversity and inclusion, upholding recognized human rights and labour standards, providing safe and healthy working conditions, and providing employee development opportunities.

Goals

The following goals have been established to improve our workplace environment:

- Develop and communicate NIPCO Plc's diversity strategy to employees.
- Design and implement a global employee engagement survey.
- Increase use of NIPCO Plc training Online
- Develop and communicate policies on human rights to managers.



NIPCO PLC

SUSTAINABILITY REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

b. Community

NIPCO Plc is committed to supporting the economic, cultural, social and educational well-being of communities where the Company has a significant presence, by investing in innovative programs, approaches and solutions in the civic, arts, education, health, human services areas, developing products and solutions that provide benefit to communities at large.

Goals

The following goals have been established to continuously improve NIPCO Plc's performance in the area of community support:

- Support community investment.
- Promote innovative application of self-service solutions to social development initiatives.
- Promote employee volunteerism and community engagement.

c. Environment

NIPCO Plc operates with a continuous commitment to ensure the on-going protection of the environment. We strive to minimize the environmental footprint of our operations and products, while also delivering innovative technologies and solutions designed to help businesses and consumers reduce their own environmental footprint.

Goals

The following goals have been established to continuously improve NIPCO Plc's environmental performance and reduce our environmental footprint:

- Reduce waste generated from NIPCO Plc facilities, operations and products.
- Reduce direct and indirect greenhouse gas emissions related to NIPCO Plc facilities and operations.
- Increase energy efficiency of NIPCO Plc products and services.
- Increase end-of-life recycling of NIPCO Plc products and service parts.

d. Supply Chain

NIPCO Plc is committed to work with suppliers who comply with all applicable laws and regulations and embrace the highest standards of ethical behaviour. We will work for positive environmental, social and ethical impacts in our supply chain, treating suppliers with fairness and respect, and valuing their diversity. We will work with suppliers in innovative ways that create added value for our customers.

Goals

We have established the following goals to continuously improve NIPCO Plc's supply chain management performance:

- Develop and communicate a Supplier Code of Conduct to all NIPCO Plc first-tier suppliers.
- Implement a supplier screening program based on the NIPCO Plc Supplier Code of Conduct requirements.

Chief (Dr) Bestman P. Anekwe
Chairman
FRC/2014/IODN/00000009238

Suresh Kumar
Managing Director/CEO
FRC/2020/003/00000021344



NIPCO PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Principal Risks and Uncertainties

Competitive Risk

The oil and gas sector is very competitive and there is no certainty that the Company will be able to achieve its growth targets or the market shares to the extent indicated.

Commercial Relationship

The Company relies significantly on strategic relationship with other entities, regulatory bodies, government departments and third parties to provide essential contracting services.

Environmental Risk

The Company operations are subject to environmental regulations in all jurisdiction in which it operates. Such regulations cover a wide variety of matters, which includes without limitation, prevention of waste, pollution and protection of the environment, labour regulations and workers safety. The Company may be subject to such regulations to clean-up costs and liability for toxic and hazardous substance which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and permits are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of the proposed projects and heightened degree of responsibility for companies, Directors and employees.

Any failure to comply with the environmental, health and safety, and other regulatory standards may subject the Company to extensive liability, fines and penalties and have an adverse effect on the business and operations, financial results or financial position of the Company.

Furthermore, the future introduction and enactment of new laws, guidelines and regulations could serve to limit or curtail the growth and development of the Company's business or have an otherwise negative impact on its operations. Any changes to, and increase in the current regulations or legal requirements may have a material adverse effect upon the Company regarding additional compliance costs. The Company has extensive insurance cover and policies in place.

Exploration Risk

Oil and gas exploration is speculative in nature, involves many risks and frequently unsuccessful. There can be no assurance that any prospect drilled will result in an increase in prove or probable reserve. If reserve are developed, it can take some years from initial phase of drilling and appraisal operations until production is possible, during which time the economic feasibility of production may change. Substantial expenditure are required to establish reserves drilling. Oil and gas deposits assessed by the Company may not ultimately contain economically recoverable volumes of resources and even if they do, delays in the construction and commissioning of production projects or other technical difficulties may result in any projected target dates for production being delayed or further capital expenditure being required. As a result of these uncertainties, no assurance can be given that exploration programs undertaken by the Company will result in any new commercial development operations being brought into operations. Exploration and development involves significant risk including the commercial viability of deposits, availability of permits and other factors beyond the control of the Company.

The operations of the Company may be disrupted, curtailed, delayed or cancelled by variety of risk and hazard which are beyond the control of the Company including unusual or expected geological formation, formation pressures, geotechnical and seismic factors, environmental hazard, industrial accidents, occupational and health hazards, technical failure, mechanical difficulties, equipment shortage, labour dispute, fire, explosions, power outage, rock falls, landslides, flooding and extended interruptions due to inclement or hazardous weather conditions, explosion and other act of God. Any one of these risks or hazards could result in work stoppages, damage to or destruction of the Company's facilities, personnel injury, damage to life and property, environmental damage or pollution, business interruption, monetary loss, and legal liability which could have a material impact on business, operations and financial performance of the Company. Not all of these risks are insurable.

Commodity Price Risk

Commodity price risk refers to regular fluctuation to the international crude oil, AGO and Cooking gas price resulting in financial loss to the Company. The Company does not have any significant risk of loss due to commodity price fluctuation to any one counterparty or any group of counterparties having similar characteristics. The Company closely monitors the international price as well as the local market price.



NIPCO PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Foreign Currency Risk

The Company undertakes certain transactions dominated in foreign currencies. Hence, exposure to exchange rate fluctuations arise. There have been no changes to the Company's exposure to market risks or the manner in which these risks arise.

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Company. The Company does not have any significant credit risk exposure to any one counterparty or any group of counterparties having similar characteristics. The Company has a policy in place to seek legal recourse if any party defaults on any repayment terms.

Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short term, medium term and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and by continuous monitoring forecast and actual cashflows and matching the maturity profiles for financial assets and liabilities.

Approved by the Board of Directors and signed on behalf of the Board by:

Chief (Dr) Bestman P. Anekwe
Chairman
FRC/2014/IODN/00000009238

Suresh Kumar
Managing Director/CEO
FRC/2020/003/00000021344



NIPCO PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Overview

NIPCO Plc is committed to high standards of corporate governance. The Company has continued to embrace the best governance practices required to deliver sustainable value to our shareholders.

During the year ended 31 December 2025, NIPCO Plc complied with Best Practices on Corporate Governance and the NIPCO Plc Principles of Ethics and Compliance. The primary purpose of the Board is to create and deliver sustainable long-term value to shareholders through its general supervision of the Company's business.

As part of this goal, NIPCO Plc has always maintained different and separate roles for the Chairman and the Chief Executive Officer. Presently the Company has a eleven (11) member Board led by the Chairman, who is an non executive Director. There are nine Non-Executive Directors and two Executive Directors on the Board.

All the Directors bring various and varied competencies to bear on all Board deliberations. The Board meets regularly and is responsible for effective control and monitoring of the Company's strategy. The Chairman directs the Board, ensuring that it operates effectively, while fully discharging its legal and regulatory obligations.

The Company's corporate governance framework is in conformity with the existing corporate governance codes and is in line with universally accepted best practices. Under this framework, the Board delegates responsibility for the day-to-day management of the Company to the Chief Executive Officer.

It is the responsibility of the Board of Directors to ensure that all records are accurate and correctly reflect the financial position of the Company. Management implements system controls, comprising policies, standards and procedures to ensure the safety of assets and the reduction of risk, error, fraud and other irregularities. Both the internal auditor and the external auditors independently appraise the adequacy of internal controls.

The Board places great emphasis on effective communication with its shareholders. It recognizes the importance of ensuring an appropriate balance in meeting the many needs of its shareholders and at the same time building enduring relationships with them. The Directors direct and indirect shareholdings in the Company, where it exists are disclosed elsewhere in this report as required by law.

Employees compliance with the NIPCO Plc's Code of Conduct training and certification, which subscribes to high standards of fair competition is monitored globally.

1 Composition of the Board of Directors'

The Board is currently made up of Nine (9) Non-Executive Directors and Two (2) Executive Directors. All the Directors have access to the advice and services of the Company Secretary and other professionals where such advice will improve the quality of their contribution to Board's decision making process.

2 Induction and Training

The Company has in place a formal induction program for newly appointed Directors. As part of this induction, each new Director is provided with core materials and asked to complete a series of introductory meetings to become knowledgeable about the Company's business and be familiar with the senior management team. A summary of the Board Performance Evaluation in the current financial year, the Board is comprised of experienced individuals who are conversant with their oversight functions. The Chairman of the Board encourages and supports the active participation and contribution of Board members at meetings. The Board takes its oversight functions seriously committed to the business of the Company and detailed level of thoroughness goes into every decision taken by the Board. It was however noted that there is room for improvement in the area of meetings of Board Committees and succession planning for critical roles to ensure business continuity and performance. The recommendations of the performance evaluation have been considered by the Board and are being implemented as required.



GROUP ANNUAL REPORT

NIPCO PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

3 Board Effectiveness and Performance Evaluation

The Board is continuously focused on improving its corporate governance performance. This, it does through a process of evaluating its effectiveness and that of the Board Committees and individual Directors.

Each Executive and Non-Executive Director's performance is appraised personally by the Chairman. The Non-Executive Directors in a meeting presided over by an Independent Non-Executive Director equally assess the Chairman's performance.

The Board evaluation process was overseen by the Chairman of the Board. The exercise was conducted by an internal mechanism with the aim of assisting the Board to constantly improve their effectiveness. This process was supported by the Company Secretary through the review of the attendance of Directors at the meetings and activities of the Board.

The review covered the key decisions taken at the meetings of the Committees and the amount of follow-through assurances done through liaison with management. It also included assessment of Board's capability, process, structure, corporate governance, strategic clarity and alignment as well as the performance of individual Committees and Directors.

The performance of the Chairman is assessed annually by his management of proceedings at meetings, giving Board direction and strategic visioning for, and performance of the Company.

For the Board Committees, a similar assessment was made in 2025 in agreement with the Committee Chairmen and each Committee member. The assessment covered a number of areas, including the roles and responsibilities of each Committee, its organization and effectiveness and the qualifications of its members. The results of the assessments were also discussed at the various Committee meetings and further actions were agreed from this process.

4 Record of Directors Attendance of Board Meetings:

The Board held a total of four (4) meetings during the year. In accordance with Section 284 (2) of the Companies and Allied Matters Act, 2020; the record of the Directors' attendance at Directors' meetings during 2025 is available for inspection at the Annual General Meeting.

Directors	Date of Meetings			
	27-May-25	9-Jul-25	10-Jul-25	18-Dec-25
Chief (Dr) Bestman P. Anekwe	P	P	P	P
Suresh Kumar	P	P	P	P
Alhaji Abdulkadir Aminu (Wali Adamawa)	P	P	P	P
Ramesh Virwani	P	P	P	P
Alhaji Habu Jajire	P	P	P	P
Alhaji Sharif Usmania	P	P	P	P
Alhaji Sani Yau	P	P	P	P
Grace O. Idowu (Mrs.)	P	P	P	P
Ramesh Kansagra	P	P	P	P
Rishi Kansagra	P	P	P	P
Tunji Adeniji	P	P	P	P

Attendance Keys

P - Present

A - Absent

The meetings of the Board were presided over by the Chairman. In all cases, written notices of the meetings along with the agenda were circulated at least 14 days before the meetings. The minutes of the meetings were appropriately recorded and circulated.



NIPCO PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

5 Business Conduct and Code of Governance for Directors

The NIPCO Plc Code of Conduct (the “Code”) is our guide and point of reference for upholding NIPCO Plc’s Shared Values. NIPCO Plc’s corporate policies and procedures, as well as our individual commitment to ethical and legal behaviour, also guide NIPCO Plc employees and Directors. The Code applies to all employees of NIPCO Plc and its affiliates (collectively “NIPCO Plc”) and to NIPCO Plc’s Board of Directors. The Code affirms our commitment to the highest standards of integrity in our relationships with one another and with our customers, suppliers, strategic partners, and shareholders. We expect our suppliers, contractors, representatives and agents to embrace these same values and standards.

6 Insider Trading

Securities laws and NIPCO Plc’s policy prohibit employees, Directors, Members of the Audit Committee of the Company, External Advisers and their related persons from trading, directly or indirectly, in NIPCO Plc securities while in possession of “material non-public information” about the Company. Material non-public information is generally defined as any information that has not been widely disclosed to the public and is likely to influence an investor to buy, sell, or hold a Company’s stock. Material non-public information can take many forms. Examples include acquisition or divestiture plans, actual or projected financial information not yet public, new contracts, products, or discoveries, major organizational changes or other business plans.

NIPCO Plc employees and officers as well as members of the Company’s Board of Directors, Members of the Audit Committee and External Advisers of the Company and their related parties, are also prohibited from directly or indirectly trading in the securities of other publicly held companies, such as customers and vendors, on the basis of material non-public information. It is also illegal and against Company policy for NIPCO Plc employees to share material non-public information about NIPCO Plc or another Company with their friends, family members or other third parties (this is called “tipping”).

All employees and officers of NIPCO Plc as well as members of the Company’s Board of Directors, Members of the Audit Committee and External Advisers of the Company and their related persons with material non-public information about NIPCO Plc and other companies, including customers and vendors are to comply with NIPCO Plc’s insider trading policy:

Never provide material non-public information about NIPCO Plc or other companies known to you through your work at NIPCO Plc

Restrict access to material non-public information about NIPCO Plc or other companies to those employees who “need-to-know” that information for business reasons (such persons may be identified in a non-disclosure agreement)

Do not advise or encourage another person to trade in a Company’s stock if you have material non-public information about that Company.

Never buy or sell NIPCO Plc securities or another Company’s publicly traded stock while in possession of material information, whether or not a blackout period is pending.

7 Whistle blowing

NIPCO Plc (“the “Company”) Whistle Blower Policy are established guidelines, wherein Directors, employees of the Company, contractors and the general public can report serious actual or suspected concerns or happenings considered unethical, inappropriate or illegal.

The Company is committed to the highest standards of integrity in employees’ relationships with one another and with customers, suppliers, strategic partners and shareholders. All suppliers, contractors, representatives and agents are expected to embrace these same values and standards.

The Policy is designed to ensure that Directors, employees of the Company, contractors and the public can raise their concerns about wrongdoing or malpractice within the Company without fear of victimization, subsequent discrimination, disadvantage or dismissal.



NIPCO PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Anyone who comes across a breach should immediately notify their Line Manager, Human Resources, Global Security, the Law Department or report either through our confidential whistleblowing helpline or by email to info@nipcoplc.com. Our approach to breach management is embedded in the global NIPCO Plc Ethics and Compliance Policy and Local Disciplinary Processes. The Company takes reports of potential violations of the Code, the law or other NIPCO Plc policy or procedures seriously, including those made anonymously. All matters reported will be investigated and appropriate action will be taken.

A whistle blower must exercise sound judgment to avoid baseless allegations. A whistle blower who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination. There shall be no retaliatory action against a whistle blower for any report made in good faith. In so far as possible, the confidentiality of the whistle-blower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defence. The Company will not tolerate retaliation against persons who make reports in good faith.

8 The Management Team

The Executive Management Team (EMT) is charged with conducting the day-to-day activities of the Company and presenting periodic reports to the Board and its Committees for consideration and approval. It executes Board policies and strategies for the creation of stakeholders values. The EMT prepares annual budgets/ financial plans for the approval of the Board to ensure the achievement of set corporate objectives.

The EMT ensures appropriate returns are filed with the regulatory agencies as necessary

During the year, the EMT Comprises:

Executive Director/CEO

General Manager

Head of Operations

Head of Finance

Head, Internal Audit and Compliance

Head, Human Resources

Company Secretary

9 Internal Control and Audit

The primary functions of the Internal Audit are to review transactions entered into by the Company to ensure accuracy, completeness, compliance with laid down procedures/ legality. Internal audit also provides assurance to the Board and Management Team that internal control measures are in place and adequate.

Apart from the Internal Audit Department taking specific responsibility for protecting the Company against fraudulent transactions, the entire staff and management of the Group take ownership and responsibility for ensuring the safety of the assets of the Group.

In addition, the Internal Audit Department is saddled with promoting compliance with statutory and regulatory requirements, as well as internal control measures approved by the Board. The Head of Internal Audit reports directly to the Statutory Audit Committee Chairman and the Board of Directors.

10 Relationship with Shareholders

As an indication of its fundamental responsibility to create shareholder value, effective and ongoing communication with shareholders is essential. In addition to the ongoing engagement facilitated by the Company Secretary, the Group encourages Shareholders to attend the Annual General Meeting and or other shareholders meetings where interaction is welcomed. The Chairman of the Group Audit Committee is available at the meeting to respond to questions from shareholders.

Voting at general meetings is conducted either on a show of hands or a poll depending on the subject matter of the resolution on which a vote is being cast, and separate resolutions are proposed on each significant issue.



NIPCO PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

11 Investors Relations

The Company has an investors' relations unit under the Finance Department which provides briefings to all stakeholders on operations of the Company and also files statutory returns to the regulatory authorities, which information is usually accessible to the shareholders via market news.

12 Communication Policy

The Board and Management of the Company ensure that communication and dissemination of information regarding the operations and management of the Company to stakeholders is timely, accurate and continuous, to give a balance and fair view of the Company's financial and non-financial matters. Such information, which is in plain language, readable and understandable, is available on the Company's website.

13 Enterprise Wide Risk Management

The Directors are ultimately responsible for the Company's risk management systems and for reviewing its effectiveness. There is a Board Committee that considers the Company's significant risks and mitigating actions, including identifying, assessing, managing, monitoring and reporting on the significant risks faced by the Company.

14 Corporate Social Responsibility

NIPCO Plc understands the challenges and benefits of doing business in Nigeria and owes its existence to the people and societies within which it operates.

The Group is committed not only to the promotion of its economic development but also to contributing to the well-being of the environment where it operates.

The Group concentrates its social investment expenditure in focused areas which currently include education and attention to vulnerable children in order to make Nigeria a better place to live and do business. These focused areas are subject to regular review to reflect the socio-economic dynamics of our Catchment area.

15 Company Secretary

It is the role of the Company Secretary to ensure that the Board remains cognizant of its duties and responsibilities. In addition to providing the Board with guidance on its responsibilities, the Company Secretary keeps the Board abreast of relevant changes in legislation and governance best practices. The Company Secretary oversees the induction of new Directors and the ongoing training of Directors. All Directors have access to the services of the Company Secretary.

16 Data Protection Policy

The Group has in place a policy on data protection and a link thereto is on the website. Appropriate notice is conspicuously placed for guests to be acquainted with.

17 Directors' Remuneration Policy

The Board's remuneration policy is structured taking into account the environment in which it operates and the results it achieves at the end of each financial year. It includes the following elements:

Non-Executive Director

Components of remuneration are payable annually while sitting allowances accrue per meeting. Directors are sponsored for training that they require to enhance their duties to the Company as deemed appropriate.

Executive Director

The remuneration policy for Executive Directors considers various elements, including fixed remuneration which takes into account the level of responsibility, and ensuring this remuneration is competitive with remuneration paid for equivalent posts of equivalent status within the industry.

Variable annual remuneration linked to performance. The amount of this remuneration is subject to achieving specific quantifiable targets, aligned directly with Shareholders' interests.



NIPCO PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

18 The Audit Committee

The Audit Committee is composed of five members made up of three shareholders' representatives elected at the 2024 Annual General Meeting for a tenure of one year until the conclusion of the 2025 Annual General Meeting and two representatives of the Board of Directors nominated by the Board. The Chairman of the Audit Committee is Alhaji Aminu Adamu.

During the year under review, the Committee held two (2) meetings. The functions of the Audit Committee are governed by the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020.

Members of Audit Committee

- Alhaji Aminu Adamu
- Mrs. Grace O. Idowu
- Mr. Ramesh Virwani
- Mr. Joseph Igbinigie
- Mrs. Ngozi Aniemena

Members	Date of Meetings	
	20-Feb-25	27-May-25
Alhaji Aminu Adamu	P	P
Mrs. Grace O. Idowu	P	P
Mr. Ramesh Virwani	P	P
Mr. Joseph Igbinigie	P	P
Mrs. Ngozi Aniemena	P	P

Attendance Keys P - Present A - Absent

BY ORDER OF THE BOARD
P.C. Obi and Co.
FRC/2025/COY/352239
 Company Secretaries
 37, Norman William Street
 Off Awolowo Road, S.W. Ikoyi
 Lagos, Nigeria



NIPCO PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Complaints Management Policy

The Complaint Management Policy of NIPCO Plc has been prepared pursuant to the requirements of the Securities and Exchange Commission's Rules relating to the Complaints Management Framework of the Nigerian Capital Market ("SEC Rules") issued on 16 February 2019 and The Nigerian Stock Exchange Directive (NSE/LARD/LRD/CIR6/15/04/22) to all Listed Companies ("the NSE Directive") issued on 22 April 2019.

This policy has been prepared in recognition of the importance of effective engagement in promoting shareholders/investors confidence in the Company. This Policy sets out the broad framework by which the Company and its Registrar provide assistance regarding shareholders issues and concerns. It also provides opportunity for shareholders to provide feedback to the Company on matters that affect them.

This policy only relates to the shareholders of NIPCO Plc and does not extend to its customers, suppliers or other stakeholders. This policy is designed to ensure that complaints and enquiries from the Company's shareholders are managed in a fair, impartial, efficient and timely manner.

Guiding Principles for Managing Complaints

The following principles shall guide the Company in managing the complaints of shareholders

1 Commitment

NIPCO Plc is committed to the resolution of complaints and or disputes received from shareholders. The Company shall proffer solutions that are fair and reasonable to all parties. The Company shall objectively manage and deal fairly with all complaints lodged by shareholders without bias. The rights of any shareholder, who has lodged a complaint, shall be adequately protected. However, it shall be within the sole discretion of the Company to take a decision on the investigation of a complaint considered to be trivial, vexatious or abusive. The Company shall take necessary steps to guard against the victimisation in respect of all complaints received.

2 Confidentiality

All complaints shall be handled in strict confidence and personal information of complainants shall be adequately protected.

3 Procedure for Complaints/Enquiries

A Complaint Lodgement Form shall be provided to all shareholders to lodge their complaint. All complaints made through authorised third parties or complaints anonymous in nature, shall be duly recognised and addressed.

Shareholders can make complaints/enquiries and access relevant information in the following manner:

- a. **Contact the Registrar:** Shareholders who wish to make a complaint/ enquiry shall in the first instance contact the Registrar, Coronation Registrars Limited at 9-12 Amodu Ojikutu Street, Off Saka Tinubu Street, Victoria Island, Lagos State. The Registrar manages all the registered information relating to all shareholdings, including shareholders name(s), shareholders address and dividend payment instructions amongst others. Upon receipt of a complaint or an enquiry, the Registrar shall immediately provide the relevant details of such complaint or enquiry to NIPCO Plc for monitoring, record keeping and reporting purposes.
- b. **Contact the Company Secretary:** If the Registrar is unable to satisfactorily address shareholders' enquiries and resolve their complaints, then shareholders should contact the office of the Company Secretary.

4 Feedback

Where a complaint or an enquiry is sent directly to the Company, upon receipt of the complaint or enquiry, NIPCO Plc shall use its best endeavours to ensure that:

- i Relevant details of the complaint or enquiry are immediately recorded.
- ii A response is provided by the Company or the Registrar within the specified time frame.
- iii Complaints or enquiries received by e-mail are acknowledged within two (2) working days of receipt.
- iv Complaints or enquiries received by post are responded to within five (5) working days of receipt.
- v Complaints or enquiries are resolved within ten (10) working days of receipt
- vi The Nigerian Stock Exchange is notified, within two (2) working days, of the resolution of a complaint or enquiry. Where a complaint/ enquiry cannot be resolved within the stipulated time frame set out above, the shareholder shall be notified that the matter is being investigated. Delays may be experienced in some situations, including where documents need to be
- vii The same or similar medium that was used for the initial enquiry shall be utilized in providing a response (whether by email, phone, post or fax), unless otherwise notified to or agreed with the shareholder.



NIPCO PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

5 Electronic Complaints Register and Quarterly Reporting Obligation

NIPCO Plc shall maintain an electronic complaint register. The electronic complaints register shall include the following information:

- The date that the enquiry or complaint was received.
- Complainant's information (including name, address, telephone number, e-mail address).
- Nature and details of the enquiry or complaint.
- Action taken/ Status.
- Date of the resolution of the complaint.

6 Access to Policy

This policy and procedures concerning shareholder enquiries, complaints and feedback may from time to time be reviewed by the Company.

- This policy shall be available on the Company's website. www.nipcoplc.com
- A copy of the policy may be requested by contacting the Office of the Company Secretary.
- This policy shall be made available at general meetings of the Company.

7 Review of Policy

This policy and procedures concerning shareholder enquiries, complaints and feedback may from time to time be reviewed by the Company.

BY ORDER OF THE BOARD

P.C. Obi and Co.

FRC/2025/COY/352239

Company Secretaries

37, Norman William Street
Off Awolowo Road, S.W. Ikoyi
Lagos, Nigeria



BOARD OF



**Chief (Dr.) Bestman P. Anekwe,
Chairman**



**M. Suresh Kumar
Managing Director**



**Alhaji Abudukadir Aminu,
(Wali Adamawa)
GED, Corporate Services**



**Ramesh Virwani,
Director**



**Rishi Kansagra
Director**



**Alhaji Habu Jajere
Alt. Director to Mr. B.S. Kasangra**

DIRECTORS



**Ramesh Kansagra,
Director**



Tunji Adeniji



**Alhaji Sharif Usman,
Director**



**Mrs. Grace O. Idowu,
Director**



**Alhaji Sani Yau,
Director**



NIPCO PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2025

The Companies and Allied Matters Act 2020 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of each financial year and its profit or loss. The responsibilities include ensuring that the Company:

- Keeps proper accounting records that disclose with accuracy, the financial position of the Company and comply with the requirement of the Companies and Allied Matters Act 2020;
- Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with the International Financial Reporting Standards (IFRS), the Financial Reporting Council of Nigeria (Amendment) Act 2023 and the Companies and Allied Matters Act 2020.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Chief (Dr) Bestman P. Anekwe
Chairman
FRC/2014/IODN/00000009238

Suresh Kumar
Managing Director/CEO
FRC/2020/003/00000021344



NIPCO PLC

STATEMENT OF CORPORATE RESPONSIBILITY FOR PREPARATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

In line with the provision of Section 405 of the Companies and Allied Matters Act 2020, we have reviewed the audited financial statements of the Company for the year ended 31 December 2025 and based on our knowledge confirm as follows:

- i) The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading;
- ii) The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the year ended 31 December 2025;
- iii) The Company's internal controls have been designed to ensure that all material information relating to the Company is received and provided to the auditors in the course of the audit;
- iv) The Company's internal controls are effective and have remained so within the period of 90 days prior to the date of the audited financial statements;
- v) That we have disclosed to the Company's auditors the following information:
 - a) there are no significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with Company's auditors any weaknesses in internal controls observed in the course of the audit.
 - b) there is no fraud involving management or other employees who have a significant role in the Company's internal control.
- vi) There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

Dated this 9 day of June 2026

Suresh Kumar
Managing Director/CEO
FRC/2020/003/00000021344

Paul Baba
Chief Financial Officer
FRC/2014/ICAN/00000007667



NIPCO PLC

MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2025

We hereby make the following declaration in relation to the internal controls of NIPCO Plc for the year ended December 31,2025.

- a) Management is responsible for establishing and maintaining adequate internal control over financial reporting.
- b) The internal control system is designed not only to safeguard the assets of the company against unauthorized acquisitions, disposition or use, but also to provide reasonable assurance to management and the board of directors, regarding the preparation of reliable financial statements suitable for publication in line with generally accepted accounting principles.
- c) The company's internal control system is supported by policies and procedures which ensure that transactions are fairly and accurately recorded in the books, and is audited by internal audit function. Appropriate actions are taken by management to address control weakness as they are identified. Because of limitations inherent in internal control system, including the possibility of circumvention and overriding of controls, and, therefore, it can provide only reasonable assurance as to the reliability of financial statement preparation and such asset safeguarding.
- d) Management has assessed the effectiveness of the company's internal controls over financial reporting as of December 31, 2025. In making this assessment, Management used the criteria contained in "Internal Controls - Integrated framework of the Committee of Sponsoring Organization (COSO) to conduct the assessment. As a result of this evaluation, management concludes and believes that the company's internal control over financial reporting as designed, is working effectively as of December 31, 2025. Management also believes that based on this assessment, there were no material weakness impacting on the company's internal control over financial reporting as of December 31,2025.
- e) I.C. Osisioma & CO., the external Auditors of NIPCO Plc, who audited the financial statements has issued its attestation report on management's assessment, and on the effectiveness of the company's internal controls over financial reporting. The attestation report of I.C. Osisioma & CO will be filed alongside with the annual report.

Chief (Dr) Bestman P. Anekwe
Chairman
FRC/2014/IODN/00000009238

Suresh Kumar
Managing Director/CEO
FRC/2020/003/00000021344



NIPCO PLC

CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2025

I hereby make the following statements regarding the internal controls of NIPCO Plc for the year ended December 31,2025, that;

I, Suresh Kumar, certify that;

- a) I have reviewed this management assessment of internal controls over financial report of NIPCO Plc.
- b) Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) NIPCO Plc other certifying officer(s) and I:
 - i) are responsible for establishing and maintaining internal controls;
 - ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiary, is made known to us by others within that entity, particularly during the period in which this report is being prepared;
 - iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAPs;
 - iv) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) NIPCO Plc other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors:
 - i) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
 - ii) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f) NIPCO Plc other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Suresh Kumar
Managing Director/CEO
FRC/2020/003/00000021344



NIPCO PLC

CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2025

I hereby make the following statements regarding the internal controls of NIPCO Plc for the year ended December 31,2025, that:

I, Paul Baba, certify that:

- a) I have reviewed this management assessment of internal controls over financial report of NIPCO Plc.
- b) Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) NIPCO Plc other certifying officer(s) and I:
 - i) are responsible for establishing and maintaining internal controls;
 - ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiary, is made known to us by others within that entity, particularly during the period in which this report is being prepared;
 - iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAPs;
 - iv) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) NIPCO Plc other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors:
 - i) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
 - ii) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f) NIPCO Plc other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Paul Baba
Chief Financial Officer
FRC/2014/ICAN/00000007667



NIPCO PLC

AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

In accordance with the provisions of Section 404 (7) of the Companies and Allied Matters Act 2020, we the Members of the Audit Committee of NIPCO Plc confirm that we have carried out our statutory functions under the Act and have examined the Auditor's Report for the year ended 31 December 2025 and hereby state as follows:

- a. We have ascertained that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed with ethical practices;
- b. The scope and planning of the audit requirements are adequate.
- c. The internal control was being constantly and effectively monitored. We authorized the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.
- d. We have reviewed the Auditor's findings on management matters and are satisfied with the management responses thereon
- e. We have ascertained that the Company kept under review the effectiveness of the Company's system of accounting and internal controls;
- f. We have made recommendations to the Board with regard to the appointment, removal and remuneration of the External Auditors of the Company as required under S.404(7)(e) of CAMA 2020.

Dated this 9 day of June 2025

Alhaji Aminu Adamu
Chairman Statutory Audit Committee
FRC/2023/PRO/NIM/002/906793

Members of Audit Committee

Alhaji Aminu Adamu	Shareholder/Chairman	FRC/2023/PRO/NIM/002/906793
Mrs. Grace O. Idowu	Director/Member	FRC/2025/PRO/DIR/003/353462
Mr. Ramesh Virwani	Director/Member	FRC/2014/ANAN/00000009240
Mr. Joseph Igbinigie	Member	
Mrs. Ngozi Aniemena	Member	



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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NIPCO PLC

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of **NIPCO Plc (the “Company”)**, **and its subsidiaries (the “Group”)**, which comprise of the consolidated statement of financial position as at **31 December 2025**, the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year, then, ended in accordance with International Financial Reporting Standards (IFRSs), the Financial Reporting Council of Nigeria Act No. 6, 2011 as amended and the provision of the Companies and Allied Matters Act, 2020

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. The key audit matters are not a comprehensive reflection of all matters discussed. These matters were addressed in the context of our audit of the consolidated financial statements, as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Revaluation of Property, Plant and Equipment:

As disclosed in Note 15 to the consolidated financial statements, during the year ended 31 December 2025, the Group adopted the revaluation model for its property, plant and equipment and carried out a comprehensive revaluation of all classes of qualifying assets. The exercise resulted in the recognition of a significant revaluation surplus within other comprehensive income and the revaluation reserve.

The determination of the fair value of property, plant and equipment involves significant judgement and estimation and requires the use of specialized valuation techniques and assumptions. These assumptions include, among others, estimates relating to replacement costs, physical condition of assets, remaining useful lives, economic obsolescence, market-based inputs and other factors specific to the nature of the assets being valued. Given the significance of the carrying value of the Group's property, plant and equipment, the material impact of the revaluation on the consolidated financial statements and the significant judgement involved in determining fair values, we considered this matter to be a Key Audit Matter.

How our audit addressed the matter:

Our audit procedures included, amongst others:

- Obtaining an understanding of the Group's process for the revaluation of property, plant and equipment;
- Evaluating the competence, capabilities and objectivity of the independent valuation experts engaged by management;
- Assessing the appropriateness of the valuation methodologies applied for the various classes of assets against the requirements of the applicable financial reporting standards;
- Evaluating the reasonableness of significant assumptions and inputs used in the valuation process;
- Involving our internal valuation specialists, where considered necessary, to assist in evaluating the methodologies and assumptions adopted by management's experts;
- Testing a sample of underlying asset information used in the valuation exercise to supporting records;
- Assessing the mathematical accuracy of the revaluation calculations and the resulting accounting entries;
- Evaluating the recognition and measurement of the related deferred tax effects; and



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- Assessing the adequacy and appropriateness of the related disclosures in the consolidated financial statements.

Based on the audit evidence obtained, we found the valuation methodologies and significant assumptions applied by management to be reasonable and the related accounting treatment and disclosures to be appropriate. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises of the CEO's Report, Corporate Governance and Sustainability Report, Strategic Report, Statement of Directors' Responsibilities, Corporate Responsibility on the Preparation of Financial Statements, Management Assessment Report on Internal Control Over Financial Reporting, Complaints Management Policy, Certification of Management Assessment Report on Internal Control Over Financial Reporting, Report of the Statutory Audit Committee and Other National Disclosures, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date.

Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



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RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as going concern and using the intends to indicate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- iv) Conclude on the appropriateness of management's use of the going concern of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists,
- v) we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- vi) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

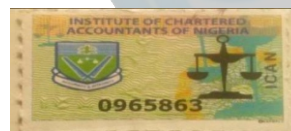
The "Fifth Schedule" of the Companies and Allied Matters Act, 2020 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account have been kept by the company; and
- iii) The Group's Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss are in agreement with the books of account.

Osisioma, Ifeanyi Chukwu.C, FCA
FRC/2013/ICAN/0000002555
For: I.C. Osisioma & Co.
(Chartered Accountants)
Lagos, Nigeria.

Date: 09 June, 2026

I.C OSISIOMA & CO.
CHARTERED ACCOUNTANTS





INDEPENDENT PRACTITIONER'S REPORT

To the Members of NIPCO Plc

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of internal controls over financial reporting.

Our Opinion

In our opinion, nothing has come to our attention that the internal control system over financial reporting put in place by Management of NIPCO Plc (the "Company"), and its subsidiaries (the "Group") are not adequate as of 31 December 2025, based on the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") section 7(2f) of the FRC Act of 2023 as amended issued by the Financial Reporting Council of Nigeria.

What we have performed

We have performed an assurance engagement on NIPCO Plc (the "Company"), and its subsidiaries (the "Group") internal control over financial reporting as of 31 December 2025 based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's annual assessment of, and report on NIPCO Plc (the "Company"), and its subsidiaries (the "Group") internal control over financial reporting.

Our responsibility is to express an independent opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for Opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.



As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention, or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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Other Matter

We have also audited, in accordance with the International Standards on Auditing, the financial statements of NIPCO Plc (the "Company"), and its subsidiaries (the "Group") and our report dated 31 December 2025 expressed an unqualified opinion.

Osisoma, Ifeanyichukwu, C. FCA
FRC/2013/ICAN/0000002555
For: I.C. Osisoma & Co.
(Chartered Accountants)
Lagos, Nigeria.



Date: 09 June, 2026





NIPCO PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Group		Company	
		2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000
Revenue	7	2,786,071,249	2,331,629,943	1,979,256,708	1,458,457,892
Cost of Sales	8	(2,656,735,999)	(2,204,465,259)	(1,915,007,408)	(1,400,812,370)
Gross Profit		129,335,250	127,164,684	64,249,300	57,645,522
Other Income	9	56,462,535	40,664,653	2,398,779	7,901,017
Selling and Marketing Costs	10	(57,354,841)	(55,741,151)	(15,804,526)	(21,408,349)
Administrative Expenses	11	(68,664,136)	(58,905,333)	(27,931,877)	(21,641,815)
Operating Profit		59,778,808	53,182,853	22,911,676	22,496,375
Finance Income	12	3,256,434	5,940,644	2,025,263	3,981,184
Finance Costs	13	(12,231,295)	(15,956,185)	(7,666,210)	(8,225,853)
Profit Before Income Tax		50,803,947	43,167,312	17,270,729	18,251,706
Tax Expense	14.1	(9,878,671)	(15,307,901)	(5,043,972)	(6,823,631)
Profit for the Year		40,925,276	27,859,411	12,226,757	11,428,075
Other Comprehensive Income					
Items that will not be reclassified subsequently to Profit or Loss					
Actuarial Loss		(35,354)	(278,005)	(35,354)	(278,005)
Revaluation Surplus		1,184,870,279	-	116,698,182	-
Related Tax		(414,818,721)	-	(40,977,566)	-
Fair Value Gain or Loss on Investment Through OCI		29,700	20,900	-	-
Gain/(Loss) on Subsequent Acquisition of Non-controlling Interest By Owners of Parent		(84,189)	(1,433,990)	-	-
Other Comprehensive Income for the Year		769,961,715	(1,691,095)	75,685,262	(278,005)
Total Comprehensive Income for the Year		810,886,991	26,168,316	87,912,019	11,150,070
Basic earnings per share (₦)		218.07	148.45	65.15	60.90

The statement of accounting policies and notes on pages 48 to 89 form an integral part of these financial statements.



GROUP ANNUAL REPORT

NIPCO PLC

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Notes	Group		Company	
		2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000
Assets					
Non-Current Assets					
Property, Plant and Equipment	15	1,534,693,880	244,768,092	200,257,149	93,852,367
Investment Property	16	8,567,039	8,580,182	-	-
Right-of-Use Assets	17	3,846,595	2,315,523	639,000	308,868
Goodwill	18	115,130,958	115,130,958	-	-
Intangible Assets	19	328,836	392,964	99,879	99,879
Investments	20	60,738,756	650,026	59,004,223	160,000
Other Long-term Financial Assets	21	1,575	1,575	1,575	1,575
Prepayments	23.1	14,265	16,158	-	-
		1,723,321,904	371,855,478	260,001,826	94,422,689
Current Assets					
Inventories	22	255,010,357	194,109,718	126,141,514	77,805,600
Prepayments	23.2	26,871,828	16,549,290	1,918,780	982,522
Trade and Other Receivables	24	178,492,893	186,558,423	272,368,539	296,169,232
Cash and Cash Equivalents	25	149,024,596	115,042,528	94,637,796	36,294,654
		609,399,674	512,259,959	495,066,629	411,252,008
Total Assets		2,332,721,578	884,115,437	755,068,455	505,674,697
Equity and Liabilities					
Equity					
Share Capital	26	187,668	187,668	187,668	187,668
Share Premium	27	2,010,588	2,010,588	2,010,588	2,010,588
Other Components of Equity		810,879,089	123,427,818	146,421,840	70,736,578
Retained Earnings		124,768,361	89,570,766	41,509,063	30,595,984
Equity Attributable to Owners of the Parent		937,845,705	215,196,840	190,129,159	103,530,818
Equity Attributable to Owners of the Subsidiary					
Non-controlling Interest		100,060,722	14,720,604	-	-
Total Equity		1,037,906,427	229,917,444	190,129,159	103,530,818
Liabilities					
Non-current Liabilities					
Borrowings	28.1	104,299,387	23,350,203	86,280,000	-
Pension and Other Employee Obligations	30	2,113,443	1,746,804	2,113,443	1,746,804
Trade and Other Payables	31.1	13,305,953	26,152,204	-	-
Deferred Tax Liabilities	14.3	444,912,132	30,693,263	57,477,491	16,499,925
		564,630,915	81,942,474	145,870,934	18,246,729
Current Liabilities					
Borrowings	28.2	19,983,676	4,510,051	14,652,860	-
Lease Liability	29	724,797	382,568	724,797	382,568
Trade and Other Payables	31.2	577,361,003	438,071,588	331,290,566	268,694,951
Contract and Other Liabilities	32	120,328,922	114,115,642	67,356,167	106,502,722
Current Tax Liabilities	14.2	11,785,838	15,175,670	5,043,972	8,316,909
		730,184,236	572,255,519	419,068,362	383,897,150
Total Liabilities		1,294,815,151	654,197,993	564,939,296	402,143,879
Total Equity and Liabilities		2,332,721,578	884,115,437	755,068,455	505,674,697

These accounts were approved by the Board of Directors on 9 June 2026 and signed on its behalf by:

Chief (Dr) Bestman P. Anekwe
Chairman
FRC/2014/IODN/00000009238

Paul Baba
Chief Financial Officer
FRC/2014/ICAN/00000007667

Suresh Kumar
Managing Director/CEO
FRC/2020/003/00000021344



GROUP ANNUAL REPORT

NIPCO PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Group						
	Share Capital	Share Premium	Other Components of Equity	Retained Earnings	Total Attributable to Owners of Parent	Non-Controlling Interest	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Year Ended 31 December 2024							
Balance as at 1 January 2024	187,668	2,010,588	125,118,913	65,658,530	192,975,699	14,516,457	207,492,157
Dividend paid	-	-	-	(938,342)	(938,342)	(786,945)	(1,725,287)
Actuarial loss	-	-	(278,005)	-	(278,005)	-	(278,005)
Fair value gain on investment through OCI	-	-	20,900	-	20,900	-	20,900
Loss on subsequent acquisition of NCI	-	-	(1,433,990)	-	(1,433,990)	-	(1,433,990)
Prior year adjustment	-	-	-	14,162	14,162	-	14,162
Profit for the year	-	-	-	24,836,416	24,836,416	3,022,995	27,859,411
NCI movement during the year (net)	-	-	-	-	-	(2,031,904)	(2,031,904)
Balance as at 31 December 2024	187,668	2,010,588	123,427,818	89,570,766	215,196,840	14,720,604	229,917,444
Balance as at 1 January 2025	187,668	2,010,588	123,427,818	89,570,766	215,196,840	14,720,604	229,917,444
Dividend paid	-	-	-	(1,313,678)	(1,313,678)	(799,354)	(2,113,032)
Actuarial loss	-	-	(35,354)	-	(35,354)	-	(35,354)
Fair value gain on investment through OCI	-	-	29,700	-	29,700	-	29,700
Loss on subsequent acquisition of NCI	-	-	(84,189)	-	(84,189)	-	(84,189)
Revaluation surplus	-	-	1,102,359,834	-	1,102,359,834	82,510,445	1,184,870,279
Related tax	-	-	(414,818,721)	-	(414,818,721)	-	(414,818,721)
Profit for the year	-	-	-	36,511,272	36,511,272	4,414,004	40,925,276
NCI movement during the year (net)	-	-	-	-	-	(784,976)	(784,976)
Balance as at 31 December 2025	187,668	2,010,588	810,879,089	124,768,361	937,845,705	100,060,722	1,037,906,427

NIPCO PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Company				
	Share Capital	Share Premium	Other Components of Equity	Retained Earnings	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Year Ended 31 December 2024					
Balance as at 1 January 2024	187,668	2,010,588	71,014,583	20,106,251	93,319,090
Dividend paid	-	-	-	(938,342)	(938,342)
Actuarial loss	-	-	(278,005)	-	(278,005)
Profit for the year	-	-	-	11,428,075	11,428,075
Balance as at 31 December 2024	187,668	2,010,588	70,736,578	30,595,984	103,530,818
Balance as at 1 January 2025	187,668	2,010,588	70,736,578	30,595,984	103,530,818
Dividend paid	-	-	-	(1,313,678)	(1,313,678)
Actuarial loss	-	-	(35,354)	-	(35,354)
Revaluation surplus	-	-	116,698,182	-	116,698,182
Related Tax	-	-	(40,977,566)	-	(40,977,566)
Profit for the year	-	-	-	12,226,757	12,226,757
Balance as at 31 December 2025	187,668	2,010,588	146,421,840	41,509,063	190,129,159



NIPCO PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Cash Flows from Operating Activities				
Profit before tax	50,803,947	43,167,312	17,270,729	18,251,706
Adjustments:				
Depreciation and amortisation	38,449,568	33,535,581	14,619,410	11,572,524
Contribution to defined benefit plan	366,639	413,821	366,639	413,821
Prior year adjustments	-	14,162	-	-
Rent received	(23,001,995)	(10,312,385)	(86,211)	(33,059)
Net finance income/cost	8,974,861	10,015,541	5,640,947	4,244,669
Exchange (gains)/loss	11,972,972	(22,995,466)	-	-
Actuarial loss	(35,354)	(278,005)	(35,354)	(278,005)
Provision no longer required	(656,224)	-	(61,196)	-
ECL provision	100,035	558,284	-	181,356
Operating Profit Before Working Capital Changes	86,974,449	54,118,845	37,714,963	34,353,012
Working Capital Changes:				
Changes in inventories	(60,900,639)	(131,047,777)	(48,335,914)	(52,664,486)
Changes in prepayment	(10,320,645)	1,455,125	(936,258)	(176,535)
Changes in trade and other receivables	8,621,719	(71,026,899)	23,861,889	(51,262,148)
Changes in trade and other payables	126,443,167	274,557,018	62,595,614	135,385,205
Changes in contract and other liabilities	6,213,280	(8,728,321)	(39,146,555)	10,256,616
	157,031,331	119,327,991	35,753,740	75,891,664
Tax paid	(13,868,356)	(9,349,568)	(8,316,909)	(4,230,705)
Net Cash Flows from Operating Activities	143,162,974	109,978,424	27,436,831	71,660,959
Cash Flows from Investing Activities:				
Acquisition of PPE	(147,132,287)	(61,566,863)	(9,541,635)	(24,913,027)
Additions to ROU assets	(1,941,838)	(407,137)	(472,838)	(39,137)
Acquisition of intangible assets	(20,000)	(391,912)	-	(131,850)
Acquisition of investment property	(1,377,713)	-	-	-
Proceeds from sale of PPE	5,512,959	77,443	5,358,332	13,674
Rent received	23,001,995	10,312,385	86,211	33,059
Changes in other long-term financial assets	-	58,562	-	58,562
Acquisition of subsidiary	(869,165)	(3,465,894)	-	-
Changes in investment	(60,059,030)	(73,000)	(58,844,223)	-
Net Cash Flows from Investing Activities	(182,885,079)	(55,456,415)	(63,414,153)	(24,978,719)
Cash Flows from Financing Activities:				
Proceeds/(repayments) of borrowings	96,422,809	(53,782,726)	100,932,860	(27,272,337)
Changes in lease liability	342,229	(67,806)	342,229	(67,806)
Net finance income/cost	(8,974,861)	(10,015,541)	(5,640,947)	(4,244,669)
Dividend paid	(2,113,032)	(1,725,287)	(1,313,678)	(938,342)
Net Cash Flows from Financing Activities	85,677,145	(65,591,360)	94,320,464	(32,523,154)
Net Cashflows for the Year	45,955,041	(11,069,351)	58,343,142	14,159,086
Cash and cash equivalents, at 1 January	115,042,528	103,116,413	36,294,654	22,135,568
Effects of exchange difference	(11,972,972)	22,995,466	-	-
Cash and Cash Equivalents as at 31 December	149,024,596	115,042,528	94,637,796	36,294,654
Cash and Cash Equivalents as at 31 December	149,024,596	115,042,528	94,637,796	36,294,654

The statement of accounting policies and notes on pages 38 to 79 form an integral part of these financial statements.



NIPCO PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1 Nature of Operations

The principal activities of NIPCO Plc and its subsidiaries (the Group) include buying, storing, selling and distributing of petroleum products, LPG and CNG to Independent Petroleum Marketers Association of Nigeria (IPMAN) members and other customers. The Group's activity also involves leasing of investment property and hospitality services. These activities are grouped into the following lines;

- **Petroleum Product, LPG and CNG Marketing and Distribution:** The Group activities involves buying, storing, selling and distribution of petroleum products to IPMAN members and other customers. The petroleum products comprises of premium motor spirit (PMS), automated gas oil (AGO), dual purpose kerosene (DPK), aviation turbine kerosene (ATK), liquefied petroleum gas (LPG), natural gas (NG) and lubricants.
- **Rental Service:** The Group has investment properties that are leased to corporate bodies to carry on business operations.
- **Hospitality Service:** The Group has hospitality business that provides lodging, foods and drinks services, event centres for meetings/conventions to private individuals and corporate bodies.

2 General Information, Statement of Compliance With IFRS, FRCN and Going Concern Assumption

NIPCO Plc, the Group's ultimate parent Company, is a limited liability Company incorporated under the Companies and Allied Matters Act 2004, on the 8th day of January 2001. It was established by interested members of the Independent Petroleum Marketers Association of Nigeria (IPMAN) on 8 January 2001 with an initial authorised and paid-up share capital of 1,000,000 ordinary shares of ₦1.00 each. IPMAN is an association of independent oil marketers present in all parts of the country with over 6,000 members. The Company has been changed to a public limited liability Company with an authorised share capital of 300,000,000 ordinary share of ₦1.00 each with PUREBOND Limited (a United Kingdom based Group) chosen as a core investor. NIPCO Plc, its subsidiary and sub-sub-sidiary engage in marketing and distribution of petroleum products in Nigeria. Its registered office and principal place of business is at 1 & 15 Dockyard Road, Apapa, Lagos state.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and The Financial Reporting Council of Nigeria (FRCN) (Amendment) Act 2023 and CAMA 2020. They have been prepared under the assumption the Group operates on a going concern basis, which assumes the Group will be able to discharge its liabilities as they fall due. In confirming the validity of the going concern basis of preparation, the Group has considered the following specific factors:

- The Group reported a profit of ₦40.925 billion for the year and had an excess of current liabilities over current assets of ₦120.785 billion.
- The Group generated positive operating cash flows of ₦143.103 billion in the current period.
- As disclosed in Note 6.3.2 to 6.3.5, the liquidity needs of the Group are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout periods, which is typically 12 months from the date of authorisation of these financial statements.
- Management prepares an annual budget and long-term strategic plan, including an assessment of cash flow requirements, and continue to monitor actual performance against budget and plan throughout the reporting period.

Based on these factors, management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future.

The consolidated financial statements for the year ended 31 December 2025 (including comparatives) were approved and authorised for issue by the board of directors on **9 June 2026**.



GROUP ANNUAL REPORT

NIPCO PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

2.1 Group General Information

NIPCO Plc (Parent Company) is the controlling entity of the group. NIPCO Plc exercises significant influence and control over the activities of other entities within the group by means of ownership of over 50% equity share interest. The group is made up of eight entities as listed below. NIPCO Investment Limited, NIPCO Gas Limited, and NIPCO E&P Limited are subsidiaries. 11 Plc, 22 Hospitality Limited and 44 Hospitality Limited are sub-subsidiaries of NIPCO Investment Limited. 11 Plc has a subsidiary 11 Hospitality Limited, while 22 Hospitality Limited has a subsidiary Capital Hotel Plc.

Group Structure

NIPCO Plc
NIPCO Investments Limited
NIPCO Gas Limited
NIPCO E&P Limited
11 Plc
11 Hospitality Limited
22 Hospitality Limited
Capital Hotel Plc
44 Hospitality Limited

Initials

NP
NIL
NGL
NEPL
11 Plc
11HL
22HL
CHP
44HL

Initials of the entity	Proportion of Interest held by the entities									
	NP	NIL	NGL	NEPL	11 Plc	22HL	CHP	11HL	44HL	
NP	Nil	100%	100%	100%	Nil	Nil	Nil	Nil	Nil	
NIL	Nil	-	Nil	Nil	84.17%	100%	Nil	Nil	100%	
NGL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
NEPL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
11 Plc	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100%	Nil	
11HL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
22HL	Nil	Nil	Nil	Nil	Nil	Nil	95.46%	Nil	Nil	
CHP	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
44HL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

	Number of shares held by the entities									
	NP	NIL	NGL	NEPL	11 Plc	22HL	CHP	11HL	44HL	
NP	-	50,000,000	50,000,000	100,000,000	-	-	-	-	-	
NIL	-	-	-	-	303,507,713	10,000,000	-	-	10,000,000	
NGL	-	-	-	-	-	-	-	-	-	
NEPL	-	-	-	-	-	-	-	-	-	
11 Plc	-	-	-	-	-	-	-	10,000,000	-	
11HL	-	-	-	-	-	-	-	-	-	
22HL	-	-	-	-	-	-	3,017,231,835	-	-	
CHP	-	-	-	-	-	-	-	-	-	
44HL	-	-	-	-	-	-	-	-	-	

3 New or Revised Standards or Interpretations

3.1 New Standards Adopted as at 1st January 2025

3.1.1 Lack of Exchangeability- Amendment to IAS 21 - Effective 1 January 2025

In August 2023, the IASB amended IAS 21 'The Effects of Changes in Foreign Exchange Rates' to clarify the approach that should be taken by preparers of financial statements when they are reporting foreign currency transactions, translating foreign operations, or presenting financial statements in a different currency, and there is a long-term lack of exchangeability between the relevant currencies.

The amendments

The amendments include both updates to guidance to assist preparers in correctly accounting for foreign currency items and increases the level of disclosure required to help users understand the impact of a lack of exchangeability on the financial statements. The amendments:

- introduce a definition of whether a currency is exchangeable, and the process by which an entity should assess this exchangeability. This includes application guidance included in a new Appendix A
- provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable.



NIPCO PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

- require additional disclosures in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability, including the nature and financial impact of the lack of exchangeability, and details of the spot exchange rate used and the estimation process.

The additional disclosure requirements provide useful information about the additional level of estimation uncertainty, and risks arising for the entity due to the lack of exchangeability.

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have not been adopted early by the company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company.

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after January 1, 2026 or later periods:

3.2.1 Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parent's profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the Company's financial statements.

3.2.2 Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments were made to the disclosure-based Standard, resulting in further changes to the disclosures required of subsidiaries qualifying under IFRS 19. The amendments to IFRS 19 become effective concurrently with the original standard.

The effective date of the amendment is for years beginning on or after January 1, 2027.

The company expects to adopt the amendment for the first time in the 2027 financial statements. The impact will result in additional disclosure the company's financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

This is a new standard which may be applied by subsidiaries which do not have public accountability. It is a disclosure only standard and provides for reduced disclosures for qualifying subsidiaries to apply, while still remaining compliant with the recognition, measurement and presentation requirements of IFRS Accounting Standards. The reduced disclosures provided in IFRS 19 may be applied by the subsidiary in their consolidated or individual financial statements provided that the ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. A subsidiary has public accountability, and may not apply IFRS 19, if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments of trading in a public market, or if it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

The effective date of the standard is for years beginning on or after January 1, 2027.

The Company expects to adopt the standard for the first time in 2027 financial statements.

It is unlikely that the standard will have a material impact on the Company's financial statements.

3.2.3 IFRS 18 Presentation and Disclosure in Financial Statements-Effective January 1, 2027

This is a new standard which replaces IAS 1 Presentation of Financial Statements and introduces several new presentation requirements. The first relates to categories and subtotals in the statement of financial performance. Income and expenses will be categorised into operating, investing, financing, income taxes and discontinued operations categories, with two new subtotals, namely "operating profit" and "profit before financing and income taxes" also being required. These categories and sub totals are defined in IFRS 18 for comparability and consistency across entities. The next set of changes requires disclosures about management defined performance measures in a single note to the financial statements. These include reconciliations of the performance measures to the IFRS defined subtotals, as well as a description of how they are calculated, their purpose and any changes. The third set of requirements enhance the guidance on grouping of information (aggregation and disaggregation) to prevent the obscuring of information.

The effective date of the standard is for years beginning on or after January 1, 2027.

The company expects to adopt the standard for the first time in 2026 financial statements.



NIPCO PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

The adoption of this amendment is not expected to impact on the results of the company, but may result in more disclosure than is currently provided in the financial statements.

Amendments to IFRS 1-First time Adoption of International Financial Reporting Standards. Effective - January 1, 2026

Annual Improvements to IFRS Accounting Standards Volume II Hedge Accounting by a First Time Adopter Amendment to reduce inconsistency in wording of the requirements in IFRS 9 Financial Instruments in relation to hedge accounting requirements for a first time adopter.

The effective date of the standard is for years beginning on or after January 1, 2026.

The company expects to adopt the standard for the first time in 2026 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Amendments to IFRS 7 Financial Instruments: Disclosures-Effective-January 1, 2026

Annual Improvements to IFRS Accounting Standards Volume II Gain or loss on derecognition Amendment to delete an obsolete reference that remained in IFRS 7 after the publication of IFRS 13 Fair Value Measurement, as well as to improve consistency of wording of the requirements of IFRS 7 with IFRS 13 concepts regarding disclosure of a gain or loss on derecognition.

The effective date of the standard is for years beginning on or after January 1, 2026.

The company expects to adopt the standard for the first time in 2026 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Amendments to IFRS 9 Financial Instruments-Effective-January 1, 2026

Annual Improvements to IFRS Accounting Standards Volume II Derecognition of lease liabilities. The amendment clarifies that if a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to recognise any resulting gain or loss in profit or loss.

The effective date of the standard is for years beginning on or after January 1, 2026.

The company expects to adopt the standard for the first time in 2026 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Amendments to IFRS 9 Financial Instruments-Effective-January 1, 2026

Annual Improvements to IFRS Accounting Standards Volume II Transaction price. The amendment clarifies that trade receivables must be measured initially, in accordance with IFRS 9, at the amount determined by applying IFRS 15 Revenue from Contracts with Customers.

The effective date of the standard is for years beginning on or after January 1, 2026.

The company expects to adopt the standard for the first time in 2026 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Amendments to IFRS 9 and IFRS 7- Effective - January 1, 2026

Two amendments were made which deal with contracts referencing nature-dependent electricity and may not be applied to other contracts by inference. In terms of these contracts, buyers of nature-dependent electricity may have no practical ability to avoid making sales of unused electricity.

In the first instance, the amendments allow for entities to satisfy the "own-use" requirement when considering whether contracts to buy or sell non financial items fall within the scope of IFRS 9. This will apply if the entity is, or expects to be a net purchaser of electricity. If the contract qualifies under the amendment, the "own-use" requirement will be met and the contract will fall outside the scope of IFRS 9.

The second amendment deals with hedge accounting. It allows an entity to designate as the hedged item a variable nominal amount of forecast electricity transactions that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility.

Additional disclosure will be required relating to each of these amendments.

The effective date of the standard is for years beginning on or after January 1, 2026.

The company expects to adopt the standard for the first time in 2026 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Amendments to IFRS 10 Consolidated Financial Statement-January 1, 2026

Annual Improvements to IFRS Accounting Standards - Volume II - Determination of a 'de facto agent'. The amendment is to clarify whether a party acts as a de facto agent in assessing control of an investee.

The effective date of the standard is for years beginning on or after January 1, 2026.

The company expects to adopt the standard for the first time in 2026 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Amendments to IAS 7 Statement of Cash flows-Effective-January 1, 2026

Annual Improvements to IFRS Accounting Standards Volume II Cost method Amendment to replace the term 'cost method' with 'at cost' following the earlier removal of the definition of cost method from IFRS Accounting Standards.

The effective date of the standard is for years beginning on or after January 1, 2026.

The company expects to adopt the standard for the first time in 2026 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments-Effective-January 1, 2026

The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, as such features could affect whether the assets are measured at amortized cost or fair value. The amendment also clarifies the date on which a financial asset or financial liability is derecognized in cases where liabilities are settled through electronic payment systems.

The effective date of the standard is for years beginning on or after January 1, 2026.

The company expects to adopt the standard for the first time in 2026 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

4 Material Accounting Policies

4.1 Basis of Preparation and Measurement

The Group's financial statements have been prepared on an accrual basis and under the historical cost convention. Monetary amounts are expressed in Nigerian currency (₦) and are rounded to the nearest thousands, except for earnings per share.

4.2 Basis of Consolidation

The Group's financial statements consolidate those of the parent Company, subsidiaries and sub-subsidiaries as of 31 December 2025. The subsidiaries and sub-subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

4.3 Business Combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Consideration transferred as part of a business combination does not include amounts related to the settlement of pre-existing relationships. The gain or loss on the settlement of any pre-existing relationship is recognised in profit or loss.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

4.4 Foreign Currency Translation

Functional and Presentation Currency

The financial statements are presented in Nigerian Naira (₦) which is also the functional currency of the Company. The presentation of the financial statement in Naira is in compliance with the requirements of the Financial Reporting Council of Nigeria (FRCN) Act 2023 (as amended) and CAMA 2020.

Foreign Currency Transactions and Balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Foreign Operations

In the financial statements, all assets, liabilities and transactions with functional currencies other than the Naira are translated into Naira upon presentation. The functional currency of the Company has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into Naira at the closing rate at the reporting date. Income and expenses have been translated into Naira at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

4.5 Climate Related Matters

Risks induced by climate changes may have future adverse effects on the Group's business activities. These risks include transition risks (eg regulatory changes and reputational risks) and physical risks (even though the risk of physical damage is low due to the Company's activities and geographical locations). How the Group operates its businesses may be affected by new regulatory constraints on the CO₂ emissions it generates via the data centers that the Group operates in several jurisdictions. Energy consumption of data centers is high, and the Group is currently implementing new technology solutions to reduce the level of energy needed, particularly in the area of maintaining the maximum protection possible for its critical IT infrastructure (by using highly efficient evaporative cooling solutions). The Group has indicated it is committed to sourcing 100% of its energy needs from renewable resources, no later than 2035. To achieve this goal, the Group is considering projects to install solar heating systems in all its offices around the world because using renewable energy should eventually lead to much lower energy costs.

The Group is also committed to reducing the carbon footprint of its employees by updating its business trip policies and minimising its use of air-freight travel. Management notes that the cost of production of computer and telecommunications hardware could increase significantly in the future, due to the increasing price of commodities which in turn could affect the operational results of the Group (decrease in sales and/or of the gross margin of the retail segment). The Group could also be subject to new environmental taxes as a retailer of low recyclable hardware.

As part of its actions against climate change, the Group is committed to reducing its carbon emission from 50% by 2030 and to be carbon neutral no later than 2050. Please refer to the management report for further information on climate risk and any commitments made by the Group to address them.

Consistent with the prior year, as at 31 December 2025, the Group has not identified significant risks induced by climate changes that could negatively and materially affect the Group's financial statements. Management continuously assesses the impact of climate-related matters.

The Group's financial statements integrate climate-related matters in various items. Notably the Group's commitments to reduce carbon emissions were considered when performing impairment tests and assessing the useful life of its non-current assets.

Assumptions could change in the future in response to forthcoming environmental regulations, new commitments taken and changing consumer demand. These changes, if not anticipated, could have an impact on the Group's future cash flows, financial performance and financial position.

4.6 Investments in Associates and Joint Ventures

Investments in associates and joint ventures are accounted for using the equity method.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Where the Group's share of losses in investments in associates and joint ventures equals or exceeds its equity accounted interest in the entities, including any other unsecured long-term receivables, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

4.7 Use of Estimates and Judgement

In preparing the financial statements, management is required to make use of estimates and assumptions that affects the amounts represented in the financial statements and related disclosures. The use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. The statement of accounting policies forms an integral part of these financial statements.

4.8 Current Versus Non-Current Classification

The Group presents assets and liabilities in the statement of financial position based on current and/or non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Due to be realized within 12 months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Non-current assets are due to be settled more than 12 months after the reporting period

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

4.9 Segment Reporting

The Group has five operating segments: petroleum products marketing business, natural gas, liquefied natural gas, hospitality business and investment property service. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services (see Note 33).

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in stand-alone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements, except for certain items not included in determining the operating profit of the operating segments, as follows:

- post-employment benefit expenses,
- research costs relating to new business activities, and
- revenue, costs and fair value gains from investment property.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Country Head/ Chief Executive Officer.

For management purposes, the Company is organised into business units based on its products and services. The strategic business unit offer different products and services and are managed separately because they require different marketing strategies.

The entity's operating segments are as follows

- * Petroleum products marketing
- * Natural gas (compressed and piped)
- * Liquefied petroleum gas
- * Hospitality services
- * Investment property service

The Company's Country Head/ Chief Executive Officer monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Business unit performance is evaluated based on revenue and cost of sales. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

4.10 Revenue

Revenue is recognised in accordance with IFRS 15 – Revenue from Contracts with Customers, which establishes a five-step model for recognising revenue arising from contracts with customers. Revenue is recognised to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable and is presented net of Value Added Tax (VAT), rebates, trade discounts, commissions and returns where applicable.

To determine whether to recognise revenue, the Company follows a 5-step process:

- * The Company has identified the contract(s) with the customer;
- * The Company has identified the performance obligations in the contracts;
- * The transaction price can be determined by the Company.
- * Allocation of transaction price to the performance obligations; and
- * Recognition of revenue when (or as) the entity satisfies a performance obligation.

a) Identify the contract(s) with a customer

The Group recognises a contract with a customer when there is an enforceable agreement between the parties that creates enforceable rights and obligations and when it is probable that the consideration to which the Group is entitled will be collected. Contracts with customers arise in the normal course of business from the sale and distribution of petroleum products, (namely PMS, AGO, and ATK), LPG, NG, lubricants, rent, as well as from the provision of hospitality services by the Group's subsidiary. Such contracts may be written, oral or implied by customary business practices.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

A customer is defined as a party that has contracted with the Group to obtain goods or services that are outputs of the Group's ordinary activities in exchange for consideration.

Amounts received from customers prior to the transfer of goods or services are recognised as contract liabilities until the related performance obligations have been satisfied. Hospitality revenue from rooms and other services will be recognized overtime because the customer simultaneously receives and consumes the benefits as the Company performs its obligation. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized. For food and beverage, the contract is recognized as the service is rendered to the customer.

b) Identify the performance obligations in the contract

At contract inception, the Group assesses the goods or services promised in the contract to identify each performance obligation. A performance obligation is a promise to transfer a distinct good or service to the customer.

In petroleum product sales transactions, the delivery of the product represents a single performance obligation that is satisfied when the product is delivered or collected by the customer. In retail operations, the dispensing of fuel to customers represents a single performance obligation that is satisfied at the point of sale.

In hospitality operations, performance obligations arise from the provision of accommodation, meals, beverages and related guest services. Accommodation services are considered to be a series of distinct services that are substantially the same and are satisfied over the period during which the customer occupies the room, while food and beverage services are satisfied at the point in time when the service is rendered to the customer.

c) Determine the transaction price

The transaction price represents the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer. The transaction price is determined based on the contractual selling price agreed with the customer and may include variable consideration such as volume rebates, promotional discounts, price adjustments and other incentives.

Variable consideration is estimated at contract inception and reassessed at each reporting date using either the expected value method or the most likely amount method, depending on which method better predicts the amount of consideration to which the Group will be entitled. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

d) Allocate the transaction price to the performance obligations in the contract

The transaction price is determined by the using observable market prices where such prices are available for fuels product while the cost-plus margin approach is used for lubricants and hospitality revenue. The prices are then allocated to the performance obligation at the point of order. The allocation of the transaction price ensures that revenue is recognized in an amount that reflects the consideration to which the Group expects to be entitled for satisfying each performance obligation.

e) Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised when control of the promised goods or services is transferred to the customer. Control refers to the ability to direct the use of and obtain substantially all of the remaining benefits from the asset.

Revenue from the sale of petroleum products and lubricants is recognized at a point in time when the products are delivered to the customer or when the customer takes possession of the products, which is typically evidenced by delivery documentation or confirmation of product loading. Revenue from retail fuel sales is recognised at the point of sale when fuel is dispensed to the customer and payment is received or receivable. Revenue from hospitality services is recognised over time as the services are rendered and the customer simultaneously receives and consumes the benefits of the services provided. Food and beverage revenue is recognised at the point in time when the goods are served to the customer, while accommodation revenue is recognised over the duration of the customer's stay.

Disaggregation of revenue from contracts with customers

The Group derives revenue from four major categories namely: fuels, liquefied petroleum gas, lubricants and hospitality service. The Group has determined that the disaggregation of revenue based on the criteria of types of products meet the disclosure requirements of IFRS 15 as it depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. See further details in note 7.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Contract Balances

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

4.11 Cost of Sales

Cost of sales is recognised in profit or loss upon utilization of the service or as incurred. Cost of sales includes purchase cost of merchandise and directly attributable overheads.

4.12 Other Income

Other operating income relates to income earned from other activities other than the Company's principal activities. It comprises of exchange gains, profits on disposal, sales of scrap items, and other sundry incomes.

4.13 Administrative Expenses

Operating expenses are recognised in profit or loss upon utilization of the service or as incurred. Expenditure for warranties is recognised when the Company incurs an obligation, which is typically when the related goods are sold.

4.14 Earnings Per Share, Interests and Dividends

Basic earnings per share have been calculated using the profit attributable to shareholders of the Company as the numerator, i.e. no adjustments to profit were necessary in 2025 or 2024. Diluted earnings per share are calculated by dividing profit or loss for the year by the fully-diluted number of ordinary shares outstanding during the year. Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends, other than those from investments in associates, are recognised at the time the right to receive payment is established.

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends, other than those from investments in associates, are recognised at the time the right to receive payment is established. Dividend income from investment is recognised when the shareholder's right to receive payment has been established (provided that it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably).

4.15 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

4.16 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Refer to Note 18 for a description of impairment testing procedures.

4.17 Intangible Assets

Initial Recognition of Other Intangible Assets

Brand Names and Customer Lists

Brand names and customer lists acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values.

Internally Developed Software

Expenditure on the research phase of projects to develop new customised software for IT and telecommunication systems is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet all of the following recognition requirements:

- the development costs can be measured reliably,
- the project is technically and commercially feasible,
- the Group intends to and has sufficient resources to complete the project,
- the Group has the ability to use or sell the software, and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on software development along with an appropriate portion of relevant overheads and borrowing costs



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Subsequent Measurement

All finite-lived intangible assets, including capitalised internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 4.16. The following useful lives are applied:

- Software: 10 - 15 years
- Permits: 20 years
- Franchise: 10 years

Any capitalised internally developed software that is not yet complete and intangible assets with indefinite useful life are not amortised but are subject to impairment testing as described in Note 4.16.

Amortisation has been included within depreciation, amortisation and impairment of non-financial assets.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Group's intangible assets are classified into two groups:

a) Software License

These are acquired computer software licenses and are capitalised on the basis of costs incurred to acquire and bring to use the specific software. The costs are amortised on a straight line basis over 15 years which is the estimated useful life of the software. Upgrades are amortised over the remaining useful life of the asset and costs associated with maintaining computer software programs are recognised in expense as incurred. This was fully amortised in 2021.

b) Permits

These are capitalised amounts paid to a third-party for a right of way permit. The permit is for 20 years and it is amortised using the straight line method.

Intangible assets amortisation is recognised in profit or loss. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. These are reviewed annually and adjusted when appropriate.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal.

4.18 Property, Plant and Equipment

Land

Land owned is stated at revalued and at cost amounts. Revalued and cost amounts are fair values based on appraisals prepared by external professional valuers once every two years or more frequently if market factors indicate a material change in fair value. Any revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

As land does not have a finite useful life, related carrying amounts are not depreciated.

Recognition and Measurement

Items of property, plant and equipment are measured at revalued cost less accumulated depreciation and accumulated impairment losses. Property, plant and equipment comprise tangible items that are held for more than one accounting period.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of self constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Recognition and Measurement

Items of property, plant and equipment are measured at revalued cost less accumulated depreciation and accumulated impairment losses. Property, plant and equipment comprise tangible items that are held for more than one accounting period.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of self constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the operations.

Depreciation

Items of property, plant and equipment are depreciated from the date that they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use and on revalued value from the date of revaluation.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives of property, plant and equipment, using straight-line depreciation, for current and comparative years are as follows:

	Estimated useful lives - years
- Building	50 years
- Motor Vehicles and Bicycles	3 - 5 years
- Office and Communication Equipment	3 - 5 years
- Pipelines	5 - 10 years
- Computer Equipment	3 years
- Furniture and Fittings	5 - 10 years
- Laboratory Equipment	3 years
- Plant and Machinery	5 - 10 years
- Fire Fighting Equipment and Electrical Installation	5 - 10 years

Land is not depreciated. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The Building was constructed on a land outright purchased by the Company. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amounts. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Expenses on repairs and maintenance for day-to-day service costs and ongoing maintenance costs are recognized in profit or loss immediately. Major repairs and overhaul costs are capitalized if they will result in future economic benefits. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at end of each financial year and adjusted prospectively, if appropriate.

4.19 Leased Assets

The Company as a Lessee

The Group makes use of leasing arrangements principally for the provision of the main warehouse and related facilities, office space, IT equipment and motor vehicles. The rental contracts for offices are typically negotiated for terms between 3 and 20 years and some of these have extension terms. Lease terms for office fixtures and equipment and motor vehicles have lease terms between 6 months and 6 years without any extension terms. The Group does not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Some lease contracts contain both lease and non-lease components. These non-lease components are usually associated with facilities management services at offices and servicing and repair contracts in respect of motor vehicles. The Group has elected to not separate its leases for offices into lease and non-lease components and instead accounts for these contracts as a single lease component. For its other leases, the lease components are split into their lease and non-lease components based on their relative stand-alone prices.

Measurement and Recognition of Leases as a Lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Group.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset.

Payments under lease can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate. Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

To respond to business needs, particularly in the demand for office space, the Group will enter into negotiations with landlords to either increase or decrease available office space or to renegotiate amounts payable under the respective leases. In some instances, the Group is able to increase office capacity by taking additional floors available and therefore agrees with the landlord to pay an amount that is commensurate with the stand-alone pricing adjusted to reflect the particular contract terms. In these situations, the contractual agreement is treated as a new lease and accounted for accordingly.

In other instances, the Group is able to negotiate a change to a lease such as reducing the amount of office space taken, reducing the lease term or by reducing the total amount payable under the lease, both these of which were not part of the original terms and conditions of the lease. In these situations, the Group does not account for the changes as if there is a new lease. Instead, the revised contractual payments are discounted using a revised discount rate at the date the lease is effectively modified. For the reasons explained above, the discount rate used is the Group's incremental borrowing rate determined at the modification date, as the rate implicit in the lease is not readily determinable.

The remeasurement of the lease liability permitted by the IASB in 2025 is dealt with by a reduction in the carrying amount of the right-of use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. These leases relate to items of office equipment such as desks, chairs, and certain IT equipment. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

The Group as a Lessor

As a lessor, the Group classifies its leases as either operating or finance leases.

The Group assessed whether it transfers substantially all the risks and rewards of ownership. Those assets that do not transfer substantially all the risks and rewards are classified as operating leases. The Group has currently not entered into any lease that is classified as finance lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Rental income arising from lease asset is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

4.20 Impairment Testing of Goodwill, Other Intangible Assets and Property, Plant and Equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which Goodwill and intangible asset that has an indefinite useful life or is not yet available for use has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reducing first the carrying amount of any Goodwill allocated to the cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

With the exception of Goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the assets or cash-generating units recoverable amount exceeds its carrying amount.

4.21 Investment Property

Investment properties are properties held to earn rentals or for capital appreciation, or both, and are accounted for using the fair value model.

Investment property is initially recognised at cost. These are included in the consolidated statement of financial position at their fair values.

Investment property is recognised as an asset when it is probable that the future economic benefits associated with the investment property will flow to the Group and the cost of the investment property can be measured reliably. The details of the properties are disclosed on Note 16.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or to service a property.

Subsequent costs are included in the carrying amount of the investment property or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost model

Investment property is carried at cost, less depreciation and any impairment losses.

Assets under Construction are not subject to depreciation until they are completed.

4.22 Prepayments

Prepayments are stated at amortised cost. It represents prepaid expenses for insurance, rents, vendors, and other related operational expenses.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

4.23 Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of materials is the purchase cost determined on a first-out basis. Inventories are stated at the lower of cost and net realizable value using the weighted average method. Net realizable value represents the estimated selling price of inventories less estimated cost to make the sale.

The cost of the inventories items are as follows:

- The actual cost of the items
- Importation cost
- Transportation cost to desired location

4.24 Financial Instruments

4.24.1 Recognition and Derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

4.24.2 Classification and Initial Measurement of Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented, the corporation have financial assets categorised as FVOCI.

The classification is determined by both:

- * the entity's business model for managing the financial asset
- * the contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

4.24.3 Subsequent Measurement of Financial Assets

Financial Assets at Amortised Cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

The category also contains an equity investment. The Company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unquoted securities and listed equity securities at fair value through other comprehensive income (FVOCI). The equity investment in unquoted securities was measured at cost less any impairment charges in the comparative period under IAS 39, as it was determined that its fair value could not be estimated reliably. In the current financial year, the fair value was determined in line with the requirements of IFRS 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

The Company accounts for financial assets at FVOCI, if the assets meet the following conditions:

- they are held under a business model whose objective it is “hold to collect” the associated cash flows or sell and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) are recycled upon derecognition of the asset.

4.24.4 Impairment of Financial Assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – using the ‘expected credit loss (ECL) model’. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows from the instrument.

In Applying This Forward-looking Approach, A Distinction is Made Between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Stage 2’).

‘Stage 3’ would cover financial assets that have objective evidence of impairment at the reporting date.

‘12-month expected credit losses’ are recognised for the first category while ‘lifetime expected credit losses’ are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and Other Receivables and Contract Assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they are been grouped based on the days past due.

Where consistent with the provisioning horizon, the possible impact of climate risks on the determination of expected credit losses has been integrated.

Trade receivables are carried at amortised cost less allowance for impairment losses. Invoices are due for payment as soon as they are raised except when customers are pre-billed or allowed an extended credit period. No interest is charged on the overdue receivables. The Company has recognised a provision for expected credit loss of 100% against all receivables over 360 days because historical experience has been that receivables that are past due beyond 360 days are not likely to be recoverable. When a trade receivable, or the oldest portion of an instalment or sales receivable, has been due for 450 days (15 months); it is assumed to be uncollectible and the entire receivable is written off.

Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Credit limits are reviewed periodically by the Financial Controller.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Provision for Expected Credit Losses

Provisions are made for credit losses on all receivables in order to reduce the Company's financial exposure to any losses on bad debts. There are no trade receivables which are past due at the reporting date against which an allowance has not been made. Allowance for credit losses are reversed if all amounts are recovered. The impairment recognized represents the difference between the carrying amount of these trade receivables and the amounts that are deemed recoverable by the Company. The Company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty. In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

4.24.5 Classification and Measurement of Financial Liabilities

The financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Loans and Borrowings

This is the category most relevant to the Group. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains or losses is recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Primarily in the last 5 years of the Company's operations, its major financial liabilities has been trade and other payables, which are not interest bearing and of which the effective interest method may not necessarily apply.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included as finance costs in the income statement.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

4.25 Income Taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Company does not recognize deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

Withholding Tax

The Nigerian Government requires an entity paying for services rendered by the Company to withhold or deduct tax from the payment and pay that tax to the Government. This is considered an advance payment of Company income tax by the Company (who rendered the service) and is paid by the customer receiving the service on behalf of the Company. The Company is entitled to receive a Tax Credit Note from the customer who received the service as evidence that the withholding tax has been paid. The Company can then utilize these Credit Notes to reduce the amount of income tax payable. Without receipt of Credit note from the customer, the Company is unable to benefit from the prepayment of tax in the form of the withholding tax. The Company recognizes a withholding tax receivable once the service has been rendered and the withholding tax has been deducted by the customer from payment due to the Company. The Company assesses the recoverability of the Tax Credit Notes from the customers relating to the amounts deducted by its customers. The Company makes appropriate allowances for estimated irrecoverable amounts when there is objective evidence that the Withholding Tax Credit Notes may not be received. These impairment allowances are recognized in profit or loss under distribution expense.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

4.26 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days or less from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, less restricted cash as they are considered an integral part of the Company's cash management. The restrictions are in respect of Advance Performance Guarantees provided by some banks for some customers pending the performance of the contractual obligations by the Company and excess amount with Central Bank of Nigeria being the unutilized LC's amount made for the purpose of bidding for foreign exchange to finance LCs for the Company which were yet to be refunded as at reporting date. The cash is restricted for a period of 12 months after year end.

4.27 Non-Current Assets and Liabilities Classified as Held for Sale and Discontinued Operations

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations.

4.28 Equity and Reserves

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings include all current and prior period retained profits and share-based employee remuneration.

Other Components of Equity Include the Following:

- **Remeasurement of Net Defined Benefit Liability** – comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets (see Note 30)

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

4.29 Post-Employment Benefits and Short-Term Employee Benefits

Post-Employment Benefit

The Company provides post-employment benefits through defined contribution and defined benefit plan.

Defined Contribution Plans

The Company pays fixed contributions into independent entities in relation to several state plans and insurances for individual employees. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

The Company makes provision for retirement benefits in accordance with the Pension Reform Act 2014. The contribution by the employer and employee is 10% and 8% respectively of the employees' basic salary, housing and transport allowances.

Defined Benefit Plans

For defined retirement benefit plans, the cost of providing benefits is determined by independent actuaries using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement gains or losses arising from increases or decreases in the present value of the defined benefit obligation because of changes in actuarial assumptions and experience adjustments are immediately recognised in other comprehensive income.

The defined benefit asset or liability recognised in the statement of financial position represents the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Fair value is based on market price information and in the case of quoted securities, it is the published bid price.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Short-Term Employee Benefits

Short-term employee benefits, including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

4.30 Provisions, Contingent Assets and Contingent Liabilities

Provisions for legal disputes, onerous contracts or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

The expense relating to any provision is recognised and presented in the statement of profit or loss and other comprehensive income net of any reimbursement. If the effect of time value of money is material, provision are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, increase in the provision due to the passage of time is recognised as part of finance cost in income statement.

Warranty Obligation

The Company provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions relate to these assurance-type warranties are recognized when the product is sold or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

5 Material Management Judgement in Applying Accounting Policies and Estimation Uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

5.1 Material Management Judgements

The following are the judgements made by management in applying the accounting policies of the Company that have the most significant effect on the financial statements.

5.1.1 Recognition of Contract Revenue Overtime or at a Point in Time

For some of the Group's contracts with customers, significant judgement is required to assess whether control of the related performance obligation(s) transfers to the customer over time or at a point in time in accordance with IFRS 15. Specifically, for contracts that involve developing a customer-specific asset with no alternative use to the Group, judgement is needed to determine whether the Group is entitled to payment for its performance throughout the contract period if the customer sought to cancel the contract. In making this assessment, the Group compares the amount it is entitled to collect based on the agreed payment schedule to the estimated level of costs at all stages in the contract in order to estimate the percentage margin it would retain on cancellation. The Group then compares the lowest margin percentage through the contract period to the expected margin percentage on completion. If the lowest expected margin percentage is at least equal to the final percentage margin, within a tolerance of 2%, the Group assesses it as a right to payment for its performance throughout the contract period and recognises revenue over time. In the majority of cases, the payment schedule is sufficiently front-loaded to meet this condition. If the condition is not met the Group recognises revenue on only completion. In making this judgement, the Group has considered the applicable contract law in the event of a customer seeking to cancel a contract without having the right to do so and has concluded that the court of law would not necessarily enforce specific contract performance.

5.1.2 Capitalization of Internally Developed Software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

5.1.3 Climate-Related Matters

The potential impact of climate-related matters has been considered in the preparation of financial statements, including environmental legislations and commitments made by the Group which may affect the value of financial assets and liabilities. In many cases, the judgements applied refer to the recoverable amount of assets and useful life of tangible assets.

5.1.4 Classification of Inter-Company Payable as Non-Current Payable

In determining whether inter-Company payable can be classified as non-current payable, the Company made some assumptions and judgements regarding the estimated future cash flow, discount rate and expected repayment period. Based on the modification of repayment period from one year to three years, the interCompany payable due for repayment after 12 months was reclassified to non-current.

5.1.5 Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised.

5.2 Estimates and Assumptions

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

5.2.1 Climate Estimates and Assumptions

The long-term consequences of climate changes on financial statements are difficult to predict and require entities to make significant assumptions and develop estimates.

Assumptions used by the Group are subject to uncertainties relating to regulatory changes (eg green taxes adopted by governments), new environmental commitments made by the Group to meet its carbon reduction goals, development of new technologies, depletion of natural resources used, petroleum products, etc. Due to these uncertainties, the figures reported in the Group's future financial statements could differ from the estimates established at the time these financial statements were approved.

5.2.2 Provision for Expected Credit Losses (ECL) of Trade Receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, and customer type).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed (see Note 24.2).

5.2.3 Useful Lives of Depreciable Assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and computer equipment.

5.2.4 Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by market-driven changes that may reduce future selling prices.

5.2.5 Business Combination

Management uses various valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination. In particular, the fair value of contingent consideration is dependent on the outcome of many variables including the acquirees' future profitability.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

5.2.6 Defined Benefit Plans

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future gratuity increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The discount rate is determined on the Company's reporting date by reference to market yields on high quality Government bonds. The discount rate should reflect the duration of the liabilities of the benefit programme (see Note 30.2).

5.2.7 Impairment of Non-Financial Assets and Goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation of uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

5.2.8 Impairment Losses on Other Financial Assets

The measurement of impairment losses under IFRS 9 requires estimates that are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios, economic inputs, such as unemployment levels, Gross Domestic Products, inflation rate and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

5.2.9 Fair Value Measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

5.2.10 Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

5.2.11 Leases - Determination of the Appropriate Discount Rate to Measure Lease Liabilities

As noted above, the Group enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Group uses its incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over similar terms which requires estimate when no observable rates are available.

The Group consults with its main bankers to determine what interest rate they would expect to charge the Group to borrow money to purchase a similar asset to that which is being leased. These rates are, where necessary, then adjusted to reflect the credit worthiness of the entity entering into the lease and the specific condition of the underlying leased asset. The estimated incremental borrowing rate is higher than the parent Company for leases entered into by its subsidiary undertakings.

6 Financial Risk Management

Introduction

The Company uses its financial skills to provide competitive product pricing and delivery to a broad range of customers.

Risk Management is essential to help ensure business sustainability thereby providing customers and the shareholders with a long-term value proposition.



NIPCO PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

6.1 Key Elements of Risk Management are:

- Strong corporate governance including relevant and reliable management information and internal control processes;
- Ensuring significant and relevant skills and services are available consistently to the Company;
- Influencing the business and environment by being active participants in the relevant regulatory and business forums; and
- Keeping abreast of technology and consumer trends and investing capital and resources where required.

The overall Company focus within an appropriate risk framework is to give value to the customers through effective and efficient execution of transactions.

The Board of Directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

The Company has exposure to significant risks which are categorised as follows:

- Regulatory (capital adequacy, legal, accounting and taxation),
- Business environment (reputation and strategic),
- Operational (people, information technology and internal control processes),
- Market (equity prices, interest rate and currency) and
- Liquidity.

6.2 Detailed Discussion of Material Risks

6.2.1 Regulatory Risk

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry that pertain to the business of the Company. In order to manage this risk, the Company is an active participant in the petroleum industry and engages in discussions with advisers and implement within the company as enacted.

6.2.2 Legal Risk

Legal risk is the risk that the Company will be exposed to contractual obligations which have not been provided for.

The Company has a policy of ensuring all contractual obligations are documented and appropriately evidenced to agreements with the relevant parties to the contract.

All material contracted claims are reviewed by independent legal resources and amounts are provided for if there is consensus as to any possible exposure. At 31 December 2025, the directors are not aware of any significant obligation not provided for.

6.2.3 Taxation Risk

Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of taxation legislation or due to the impact of new taxation legislation on existing products.

Taxation risk occurs in the following key areas:

- Transactional risk,
- Operational risk,
- Compliance risk and
- Financial accounting risk.

- Transactional Risk

The risk which concerns specific transactions entered into by the Company, including restructuring projects and reorganisations.

- Operational Risk

The underlying risks of applying tax laws, regulations and decisions to the day-to-day business operations of the Company.

- Compliance Risk

The risk associated with meeting the Company's statutory obligations.

- Financial Accounting Risk

The risk relates to the inadequacy of proper internal controls over financial reporting, including tax provisioning.

In managing the Company's taxation risk, the Company tax policy is as follows:

The Company will fulfil its responsibilities under tax law in each of the jurisdictions in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the Company may have in relation to Company taxes, personal taxes, capital gains taxes, indirect taxes and tax administration.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Compliance with this Policy is Aimed at Ensuring that:

- All taxes due by the Company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax legislation,
- The Company continually reviews its existing operations and planned operations in this context.

The identification and management of tax risk is the primary objective of the Company tax function, and this objective is achieved through the application of a formulated tax risk approach, which measures the fulfilment of tax responsibilities against the specific requirements of each category of tax to which the Company is exposed, in the context of the various types of activities the Company conducts.

6.2.4 Accounting Risk

Accounting risk is the risk that the Company fails to explain the current events of the business in the financial statements.

Accounting risk can arise from the failure of management to:

- Maintain proper books and records, accounting system and to have proper accounting policies,
- Establish proper internal accounting controls,
- Prepare periodic consolidated financial statements that reflect an accurate financial position and
- Be transparent and fully disclose all important and relevant matters.

Measures to control accounting risk are the use of proper accounting systems, books and records based on proper accounting policies as well as the establishment of proper internal accounting controls. Proposed accounting changes are researched by accounting resources, and if required external resources, to identify and advise on any material impact on the Company.

Financial statements are prepared in a transparent manner that fully discloses all important and relevant matters as well as accurately reflecting the financial position, results and cash flows of the Company.

6.3 Business Environment

6.3.1 Reputational Risk

Reputational risk is the risk of loss caused by a decline in the reputation of the Company or any of its specific business units from the perspective of its stakeholders, shareholders, customers, staff, business partners or the general public.

Reputational risk can both cause and result from losses in all risk categories such as market or credit risk.

6.3.2 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation.

Key areas where the Company is exposed to credit risk are:

- * Certain classes of financial assets such as bonds, term deposits and cash and cash equivalent and
- * Certain accounts within trade and other receivables.

Financial Assets

Various debt instruments are entered into by the Company in order to invest surplus shareholder funds. The Company is exposed to the issuer's credit standing on these instruments.

The following policy and procedure is in place to mitigate the Company's exposure to this credit risk:

- * Exposure to outside financial institutions concerning financial instrument is monitored in accordance with parameters which have been approved by the Company's board.

31 December 2025	1 - 12 Months N'000	13 Months and above N'000
Trade and other receivables	272,368,539	-
Inventories	126,141,514	-
Cash and cash equivalents	94,637,796	-
Total	493,147,849	-
31 December 2024		
Trade and other receivables	296,169,232	-
Inventories	77,805,600	-
Cash and cash equivalents	36,294,654	-
Total	410,269,486	-



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

6.3.3 Liquidity Risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on 360-day lookout period are identified monthly. Net cash requirements are compared to available fund on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Treasury maintains flexibility in funding by keeping committed credit lines available.

31 December 2025	1 - 12 Months ₦'000	13 Months and above ₦'000
Trade and other payables	331,290,566	-
Contract and other liabilities	67,356,167	-
Lease liability	724,797	-
Borrowings	14,652,860	86,280,000
Total	414,024,390	86,280,000

31 December 2024	1 - 12 Months ₦'000	13 Months and above ₦'000
Trade and other payables	268,694,951	-
Contract and other liabilities	106,502,722	-
Lease liability	382,568	-
Borrowings	-	-
Total	375,580,241	-

6.3.4 Market Risk

Market risk includes asset and liability matching risk, currency risk, and interest rate risk. The Company is exposed to market risk through its financial assets and financial liabilities. The most important components of this risk are interest rate risk and foreign currency risk. These risks arise from open positions in interest rate, and foreign currency, all of which are exposed to general and specific market movements.

Foreign Currency Risk

In respect of other monetary assets and liabilities held in currencies other than the Naira, the Company ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates, where necessary, to address short-term imbalances.

The Company undertakes certain transactions dominated in foreign currencies. Hence, exposure to exchange rate fluctuation arises. There have been no changes to the Company's exposure to market risks or the manner in which these risk arise. The Company is mainly exposed to the currency of Nigeria Naira.

Interest Rate Risk

Interest rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates. Interest rate arises from movement in interest rate which could have effect on the Company's net income or financial position. Changes in interest rates may cause variation in interest income and expenses resulting from interest bearing assets and liabilities.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

6.3.5 Capital Risk Management

The primary objective of the Company's capital risk management is to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios to support its business and maximize shareholders value.

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure and makes adjustments to it, as needed response to changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective policies or processes for managing capital during the years ended 31 December 2025 and 2024. The Company calculates net debt using total liabilities (borrowings, trade and other payables, provisions, contract liability and other liabilities.), less cash and cash equivalents

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Total liabilities	1,294,815,151	654,197,993	564,939,296	402,143,879
Less: Cash and cash equivalents	(149,024,596)	(115,042,528)	(94,637,796)	(36,294,654)
Net Debt	1,145,790,555	539,155,465	470,301,500	365,849,225
Equity	1,037,906,427	229,917,444	190,129,159	103,530,818
Net Debt and Equity	110.39%	234.50%	247.36%	353.37%
Total Borrowings	124,283,063	27,860,254	100,932,860	-
Gearing Ratio	11.97%	12.12%	53.09%	0.00%



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**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

	Group		Company	
	2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000
7 Revenues				
Sale of fuels	2,279,754,143	1,886,033,565	1,794,698,857	1,248,839,408
Sale of LPG	176,775,375	214,171,232	180,484,608	206,835,462
Sale of CNG	69,672,799	53,271,572	-	-
Sale of lubricants	199,725,213	139,413,540	4,073,243	2,783,022
Food, beverage and room	60,143,719	38,740,034	-	-
	2,786,071,249	2,331,629,943	1,979,256,708	1,458,457,892
8 Cost of Sales				
Purchase cost	2,591,007,962	2,153,484,019	1,890,941,130	1,382,400,097
Food, beverages and rooms	37,856,588	29,089,617	-	-
Inspection expenses	123,923	75,760	123,923	75,760
Manufacturing cost	1,521,879	3,351,326	-	-
Management fee	21,277,030	15,678,422	21,277,030	15,678,422
Other direct cost	4,948,617	2,786,115	2,665,325	2,658,091
	2,656,735,999	2,204,465,259	1,915,007,408	1,400,812,370
9 Other Income				
Rent received	23,001,995	10,312,385	86,211	33,059
Miscellaneous income	32,438,938	28,408,787	1,422,687	5,924,477
Exchange gain	131,721	-	-	-
Marketers throughput commission	889,881	1,943,481	889,881	1,943,481
	56,462,535	40,664,653	2,398,779	7,901,017
10 Selling and Marketing Cost				
Selling and distribution expenses	54,485,416	42,102,028	12,946,883	7,779,538
Sales rebate, dealers margin and haulage expenses	2,869,425	13,639,123	2,857,643	13,628,811
	57,354,841	55,741,151	15,804,526	21,408,349
11 Administrative Expenses				
Employee benefit expenses	5,197,193	3,978,799	2,379,582	2,058,422
Directors remuneration	22,487	33,808	22,487	21,610
Auditors remuneration	200,540	121,866	20,250	20,250
Depreciation and amortisation	36,752,150	33,140,256	14,619,409	11,572,524
ECL provision	136,057	558,284	-	181,356
Bank charges	2,280,129	1,827,284	1,565,371	1,156,995
Office expenses	24,075,580	19,245,036	9,324,778	6,630,658
	68,664,136	58,905,333	27,931,877	21,641,815

Other income relates to income earned from other activities other than the group's principal activities. Miscellaneous income represent income from insurance claims, margins, exchange gains, and other income from retail division operations.

Selling and marketing cost consist of expenses incurred in promoting the company's business. While sales rebate expenses are cost incurred through rebate given to dealers on products lifted.



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The Group's employee benefit expenses relates to cost incurred on staff remuneration and other related employee expenses. Directors Remuneration are cost incurred on Directors allowances, depreciation expenses relate to the reduction of the depreciable amount of the respective assets. Impairment loss has been provided based on the recoverability of the asset being less than the carrying value of the group's assets. Office expenses comprises of advert and promotion, repairs and maintenance, printing and stationery, telephone and postages, travel and hotel expenses.

Auditors remuneration is ₦20,250,0000 (excluding valued added tax) to I.C. Osisioma & CO. for 2025 Audit services (ICFR review ₦9,400,000 included in office expenses). No other payment to Auditor for other service.

	Group		Company	
	2025 Number	2024 Number	2025 Number	2024 Number
11.1.1 Employees				
Management staff	56	59	17	18
Senior staff	284	263	166	151
Junior staff	39	27	12	12
	379	349	195	181

	Number	Number	Number	Number
	11.1.2 Range			
900,001 – 2,000,000	7	13	1	2
2,000,001 – 4,000,000	116	111	74	70
4,000,001 – 6,000,000	99	94	71	68
6,000,001 – 8,000,000	47	42	29	22
Above 8,000,001	110	89	20	19
	379	349	195	181

	Group		Company	
	2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000
12 Finance Income				
Interest income	3,256,434	5,940,644	2,025,263	3,981,184
	3,256,434	5,940,644	2,025,263	3,981,184

The Group's finance income represent interest income on short - term bank deposit and loan to employees. It also includes interest income earned on placement with banks.

13 Finance Cost				
Interest on loan and overdraft	8,371,189	13,054,562	3,806,104	5,324,230
Interest on defined benefit obligation	-	195,957	-	195,957
Bank charges	3,860,106	2,705,666	3,860,106	2,705,666
	12,231,295	15,956,185	7,666,210	8,225,853



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FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

	Group		Company	
	2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000
14 Taxation				
14.1 Income Tax Recognised in Current Tax				
Company income tax	8,166,621	8,915,962	4,244,516	7,353,912
Education tax	-	1,789,650	-	916,455
Police trust fund levy	-	2,098	-	913
NASENI levy	-	104,888	-	45,629
Development levy	2,311,903	-	799,456	-
	10,478,524	10,812,598	5,043,972	8,316,909
Deferred Tax				
Deferred tax	(599,853)	4,495,303	-	(1,493,278)
Total Income Tax	9,878,671	15,307,901	5,043,972	6,823,631

The tax rate used for the 2025 tax computation is 30% payable by Corporate Entities in Nigeria and 4% for Development levy and for 2024 Corporate tax 30%, Education tax 3%, Police trust fund levy 0.05% and NASENI levy 0.25%.

14.2 Current Tax Liabilities				
As at 1 January	15,175,670	13,712,640	8,316,909	4,362,365
Charge for the year	10,478,524	10,812,598	5,043,972	8,316,909
	25,654,194	24,525,238	13,360,881	12,679,274
WHT credit utilised	(2,470,032)	(131,660)	(1,733,203)	(131,660)
Paid during the year	(10,976,820)	(9,217,908)	(6,583,706)	(4,230,705)
Over provision no longer required	(421,505)	-	-	-
As at 31 December	11,785,838	15,175,670	5,043,972	8,316,909
14.3 Deferred Tax Liabilities				
As at January 1	30,693,263	26,197,961	16,499,925	17,993,203
Charge for the year	(599,853)	4,495,303	-	(1,493,278)
Revaluation surplus 14.3.1	414,818,721	-	40,977,566	-
As at 31 December	444,912,132	30,693,263	57,477,491	16,499,925

Deferred taxes arising from temporary differences and unused tax losses are summarised above.

14.3.1 Deferred Tax Arising from Revaluation of Property, Plant and Equipment

During the year, the Group recognised revaluation gains on property, plant and equipment, resulting in taxable temporary differences between the carrying amounts of the assets and their corresponding tax bases.

Deferred tax liabilities have been recognised in respect of these taxable temporary differences. The related deferred tax charge arising from the revaluation gains has been recognised in other comprehensive income, consistent with the recognition of the underlying revaluation surplus.

The deferred tax liability recognised on the revaluation surplus arose principally from the revaluation of assets held by 11 Plc, Capital Hotels Plc and 11 Hospitality Limited and has been recognised in the consolidated financial statements.



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15 Property, Plant and Equipment

	Group											
	Land #1000	Buildings #1000	Pipelines #1000	Plant and Machinery #1000	Vehicles and Bicycles #1000	Office and Communication Equipment #1000	Computer Equipment #1000	Furniture and Fittings #1000	Laboratory Equipment #1000	Fire Fighting Equipment and Electrical Installation #1000	Assets Under Construction #1000	Total #1000
Cost/Revalued Amount												
As at 1 January 2025	36,009,172	48,121,186	61,555,630	145,871,794	21,606,749	397,313	771,963	10,820,047	17,046	4,632,078	28,505,428	358,308,406
Additions	646,607	5,939,979	577,182	11,786,840	1,808,511	63,660	220,199	3,234,433	-	743,805	122,111,071	147,132,287
Revaluation surplus	191,489,283	395,930,455	469,110,784	116,298,763	16,430,406	(49,855)	20,218	(4,796,350)	34,026	402,549	-	1,184,870,279
Write-off	-	-	-	-	-	-	-	(17,046)	-	-	-	(17,046)
Disposal	(57,155)	(108,563)	-	(131,883)	(41,083)	(38)	51	(1,974)	-	52	(5,370,695)	(5,711,288)
Transfer	-	1,683,209	-	4,458,935	9,994,666	-	-	4,041,024	-	-	(20,177,834)	-
Reclassification	-	-	-	-	-	-	-	-	-	-	(15,989)	(15,989)
As at 31 December 2025	228,087,908	451,566,266	531,243,596	278,284,449	49,799,248	411,080	1,012,431	13,297,180	34,026	5,778,484	125,051,981	1,684,566,649
Depreciation												
As at 1 January 2025	-	7,811,701	29,711,013	56,297,271	11,220,453	272,085	437,866	6,011,967	17,046	1,760,912	-	113,540,314
Charge for the year	-	1,298,098	9,212,079	17,479,265	5,874,871	42,191	207,449	1,942,992	-	506,874	-	36,563,819
Write-off	-	-	-	-	-	-	-	(17,046)	-	-	-	(17,046)
Disposal	-	(74,122)	-	(99,521)	(41,083)	(38)	51	(1,962)	-	52	-	(216,623)
Adjustment	-	-	-	2,305	-	-	-	-	-	-	-	2,305
As at 31 December 2025	-	9,035,677	38,923,092	73,679,320	17,054,241	314,238	645,366	7,952,997	-	2,267,838	-	149,872,769
Carrying Amount												
As at 31 December 2025	228,087,908	442,530,589	492,320,504	204,605,129	32,745,007	96,842	367,065	5,344,183	34,026	3,510,646	125,051,981	1,534,693,880
As at 31 December 2024	36,009,172	40,309,485	31,844,617	89,574,523	10,386,296	125,228	334,097	4,808,080	-	2,871,166	28,505,428	244,768,092

15.1 Impairment Losses Recognised in the Year

No impairment loss has been recognized during the year ended 31 December 2025 as none of the property, plant and equipment has suffered impairment (2024: Nil).

15.2 Assets Pledged as Security

No assets were pledged as security as at 31 December 2025.

15.3 Contractual Commitments

There is no other contractual commitment for the purchase of items of property, plant and equipment that has not been accounted for.

15.4 Reclassification

Reclassification of assets relates to expenses that do not meet the requirements of IAS 16.

15.5 Adjustment

The current-year adjustment arises from the correction of a prior-year error relating to the disposal of an asset. The previously recognized disposal has been reversed to reflect the asset's proper carrying amount.

15.6 Interest in Joint Operation

Included in Property, plant and equipment is ₦3,863million (2024: ₦4,008million), Land & Building: ₦300million (2024: ₦274million), Furniture and fixtures: ₦6.9million (2024: ₦7million), Plant and machinery: ₦3.551million (2024: ₦3.721million), Vehicles: ₦5million (2024: ₦6million) which relates to the Group's interest in joint operations.

The 11Plc recognised total costs of ₦743million (2024: ₦249million) in expenses that relate to costs incurred in its joint operations.

The 11Plc has a fifty percent (50%) interest in a joint arrangement with Total Nigeria Plc. for storage and handling of jet fuel to aircraft at the Murtala Muhammed Airport Domestic Terminal.

In addition, the 11Plc has a twenty percent (20%) interest in the Joint Users Hydrant Installation used to refuel aircraft at Murtala Muhammed Airport international terminal. The Company combines its share of the joint assets, income and expenditure, assets and liabilities and cash flow on a line-by-line basis with similar items in the Company's financial statements. The Company classifies its share of the joint operation's assets, according to the nature of the assets; while operating costs of the joint facility are shared based on fixed cost elements and throughput.

11Plc has no obligation to decommission these assets and has not recognized any decommissioning costs.



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	Land ₦'000	Buildings ₦'000	Pipelines ₦'000	Plant and Machinery ₦'000	Vehicles and Bicycles ₦'000	Office and Communication Equipment ₦'000	Computer Equipment ₦'000	Furniture and Fittings ₦'000	Laboratory Equipment ₦'000	Fire Fighting Equipment and Electrical Installation ₦'000	Assets Under Construction ₦'000	Total ₦'000
15.6 Details of Valuation												
The valuations of the property, plants and equipment were performed by an independent valuer Jide Taiwo and CO. FRC/2012/COY/00000000254. The fair value of the property, plants and equipment as at December 2025 for Group is ₦1.535 trillion.												
Carrying Amount of PPE Before Revaluation Journals	36,598,625	46,600,134	23,209,720	88,306,366	16,314,601	146,697	346,847	10,140,533	-	3,108,097	125,051,981	349,823,601
Revaluation Surplus												
NIPCO PLC	36,886,490	(132,679)	-	65,696,730	13,170,618	5,533	21,081	348,928	34,026	667,455	-	116,698,182
NIPCO Gas Limited	1,153,906	1,347,438	469,110,784	3,638,466	2,714,969	(55,388)	(864)	47,910	-	(264,906)	-	477,692,315
11 PLC	30,355,126	8,111,687	-	52,897,072	314,813	-	-	667,844	-	-	-	92,346,542
Capital Hotels PLC	95,933,261	13,067,279	-	(4,102,386)	80,807	-	-	(7,802,966)	-	-	-	97,175,996
11 Hospitality Limited	27,160,500	373,536,731	-	(1,831,119)	149,199	-	-	1,941,934	-	-	-	400,957,244
	191,489,283	395,930,455	469,110,784	116,298,763	16,430,406	(49,855)	20,218	(4,796,350)	34,026	402,549	-	1,184,870,279

15.6.1 Revaluation of Property, Plant and Equipment

The Group operates a policy of revaluing its property, plant and equipment at regular intervals to ensure that the carrying amounts of the assets do not differ materially from their fair values at the reporting date.

As at 31 December 2025, all classes of property, plant and equipment were revalued by Jide Taiwo & Co., an independent firm of professional valuers registered with the Financial Reporting Council of Nigeria (FRC/2012/COY/00000000254). The valuation was performed on the basis of fair value as at 31 December 2025.

The revaluation resulted in a net revaluation surplus of ₦1.185 trillion, which has been recognised in other comprehensive income and accumulated in equity under the revaluation reserve. The related deferred tax liability arising from the revaluation surplus has also been recognised in other comprehensive income.

The carrying amount of property, plant and equipment after the revaluation amounted to ₦1.535 trillion as at 31 December 2025. Had the assets been carried under the cost model, the carrying amount would have been ₦349.824 billion.

The revaluation reserve represents the cumulative net unrealised gains arising from the revaluation of property, plant and equipment and is not available for distribution to shareholders except upon realisation through disposal or derecognition of the related assets.



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NIPCO PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

		Company											
15 Property, Plants and Equipment		Land	Buildings	Pipelines	Plant and Machinery	Vehicles and Bicycles	Office and Communication Equipment	Computer Equipment	Furniture and Fittings	Laboratory Equipment	Fire Fighting Equipment and Electrical Installation	Assets Under Construction	Total
		₱'000	₱'000	₱'000	₱'000	₱'000	₱'000	₱'000	₱'000	₱'000	₱'000	₱'000	₱'000
Revalued Amount													
As at 1 January 2025		22,376,361	11,544,166	-	62,012,660	18,251,766	228,943	152,162	144,425	17,046	4,014,285	17,151,241	135,893,055
Additions		419,000	292,618	-	856,862	1,640,011	9,404	69,586	8,676	-	558,535	5,686,944	9,541,635
Revaluation surplus		36,886,490	(132,679)	-	65,696,730	13,170,618	5,533	21,081	348,928	34,026	667,455	-	116,698,182
Write-off		-	-	-	-	-	-	-	-	(17,046)	-	-	(17,046)
Transfer		-	-	-	1,853,008	9,994,666	-	-	-	-	-	(11,847,674)	(0)
Disposal		-	-	-	-	(31,250)	-	-	-	-	-	(5,358,332)	(5,389,582)
As at 31 December 2025		59,681,851	11,704,105	-	130,419,260	43,025,810	243,880	242,829	502,029	34,026	5,240,275	5,632,179	256,726,244
Depreciation													
As at 1 January 2025		-	1,149,410	-	29,674,752	9,395,324	167,764	92,510	121,449	17,046	1,422,433	-	42,040,688
Charge for the year		-	233,346	-	8,197,374	5,578,446	16,793	42,130	6,818	-	401,796	-	14,476,703
Write-off		-	-	-	-	-	-	-	-	(17,046)	-	-	(17,046)
Disposal		-	-	-	-	(31,250)	-	-	-	-	-	-	(31,250)
As at 31 December 2025		-	1,382,756	-	37,872,126	14,942,520	184,557	134,640	128,267	-	1,824,229	-	56,469,095
Carrying Amount													
As at 31 December 2025		59,681,851	10,321,349	-	92,547,134	28,083,290	59,323	108,189	373,762	34,026	3,416,046	5,632,179	200,257,149
As at 31 December 2024		22,376,361	10,394,756	-	32,337,908	8,856,442	61,179	59,652	22,976	-	2,591,852	17,151,241	93,852,367
15.1 Impairment Losses Recognised in the Year													
No impairment loss has been recognized during the year ended 31 December 2025 as none of the property, plant and equipment has suffered impairment (2024: Nil).													
15.2 Assets Pledged as Security													
No assets were pledged as security as at 31 December 2025.													
15.3 Contractual Commitments													
There is no other contractual commitment for the purchase of items of property, plant and equipment that has not been accounted for.													
15.4 Details of Valuation													
The valuations of the property, plants and equipment were performed by an independent valuer Jide Taiwo and CO. FRC/2012/COY/00000000254 The fair value of the property, plants and equipment as at December 2025 for NIPCO PLC is ₱200 billion.													
Carrying Amount of PPE Before Revaluation Journals		22,795,361	10,454,028	-	26,850,404	14,912,672	53,790	87,108	24,834	-	2,748,591	5,632,179	83,558,967



NIPCO PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Group			
16 Investment Property	Land and Building	Plant and Equipment	Total
Cost	₦'000	₦'000	₦'000
As at 1 January 2025	10,518,013	22,697,277	33,215,290
Additions	-	1,377,713	1,377,713
As at 31 December 2025	10,518,013	24,074,990	34,593,003
Depreciation			
As at 1 January 2025	3,408,568	21,226,540	24,635,108
Charge for the year	297,387	1,093,469	1,390,856
As at 31 December 2025	3,705,955	22,320,009	26,025,964
Carrying Amount			
As at 31 December 2025	6,812,058	1,754,981	8,567,039
As at 31 December 2024	7,109,445	1,470,737	8,580,182

16.1 Impairment Losses Recognised in the Year

No impairment loss has been recognized during the year ended 31 December 2025 as none of the investment property has suffered impairment (2024: Nil).

16.2 Assets Pledged as Security

The Company does not have any asset pledged as security for liabilities as at 31 December 2025 (2024: Nil).

16.3 Contractual Commitments

There is no other contractual commitment for the purchase of items of investment property that has not been accounted for.

16.4 Details of Valuation

The Company has five investment properties comprising of one office complex, and four residential properties.

The extensive refurbishment was completed in 2027. The costs involved in the refurbishment have been capitalised and depreciation has started running on the assets created.

The valuations of the investment properties were performed by an independent valuer, Ismail and Partners Chartered Surveyors & Real Estate Consultants FRC/2019/00000013091 (Gbenga Smail: FRC/2012/NIESV/00000000245). The fair value of the investment properties as at December 2025 was 231 billion.



NIPCO PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

Group

17 Right of Use Assets

	Land and Bulding	Plant and Machinery	Furniture and Fittings	Total
Cost	₦'000	₦'000	₦'000	₦'000
As at 1 January 2025	3,773,868	255,105	63,776	4,092,749
Additions	1,705,419	189,135	47,284	1,941,838
Disposal	(1,230,960)	-	-	(1,230,960)
As at 31 December 2025	4,248,327	444,240	111,060	4,803,627
Depreciation				
As at 1 January 2025	1,612,779	131,558	32,889	1,777,226
Charge for the year	339,413	57,082	14,271	410,766
Disposal	(1,230,960)	-	-	(1,230,960)
As at 31 December 2025	721,232	188,640	47,160	957,032
Carrying Amount				
As at 31 December 2025	3,527,095	255,600	63,900	3,846,595
As at 31 December 2024	2,161,089	123,547	30,887	2,315,523

Company

17 Right of Use Assets

	Land and Bulding	Plant and Machinery	Furniture and Fittings	Total
Cost	₦'000	₦'000	₦'000	₦'000
As at 1 January 2025	318,881	255,105	63,776	637,762
Additions	236,419	189,135	47,284	472,838
As at 31 December 2025	555,300	444,240	111,060	1,110,600
Depreciation				
As at 1 January 2025	164,447	131,558	32,889	328,894
Charge for the year	71,353	57,082	14,271	142,706
As at 31 December 2025	235,800	188,640	47,160	471,600
Carrying Amount				
As at 31 December 2025	319,500	255,600	63,900	639,000
As at 31 December 2024	154,434	123,547	30,887	308,868



NIPCO Plc

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
18 Goodwill.				
Goodwill from 11 Plc	115,130,958	115,130,958	-	-
	115,130,958	115,130,958	-	-

Impairment Testing

For the purpose of annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises, and is compared to its recoverable value. As at the reporting date 31 December 2025, there were no indicators of impairment of goodwill in line with or in reference with IAS 36:12

19 Intangible Assets				
Cost				
As at 1 January 2025	829,829	437,917	149,819	17,969
Additions	20,000	391,912	-	131,850
As at 31 December 2025	849,828	829,829	149,819	149,819
Accumulated amortisation				
As at 1 January 2025	436,865	321,949	49,940	-
Charge for the year	84,127	114,916	-	49,940
As at 31 December 2025	520,992	436,865	49,940	49,940
Carrying Amount	328,836	392,964	99,879	99,879

Intangible assets represent expenses incurred to acquire computer software, franchise and permits to facilitate the business operations of the group. All amortisation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets.

20 Investments					
Other investments	20.1	60,738,756	650,026	58,754,223	-
Investments in subsidiaries	20.1.1	-	-	250,000	160,000
		60,738,756	650,026	59,004,223	160,000

It is the group policy to account for its investments in subsidiary at cost less impairment. The reference to 'cost' includes an amount which applies to shares issued as consideration for the acquisition of a subsidiary. The cost is stated based on the nominal value of the shares issued rather than at fair value.

20.1 Other Investments					
Opening balance		650,026	556,126	-	-
Movement during the year		60,088,730	93,900	58,754,223	-
Closing balance		60,738,756	650,026	58,754,223	-

20.1.1 Investments in Subsidiaries					
NIPCO Investments Limited		-	-	50,000	50,000
NIPCO Gas Limited		-	-	100,000	10,000
NIPCO E&P Limited		-	-	100,000	100,000
		-	-	250,000	160,000

21 Other Long-Term Financial Assets					
Lease assets		1,575	1,575	1,575	1,575
		1,575	1,575	1,575	1,575

Leased assets represent the cost of equipment bought for dealers station; recoverable from rebates.



NIPCO Plc

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Group		Company	
	2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000
22 Inventories				
Finished products	111,613,124	73,849,828	58,317,220	63,394,462
Food and beverages	594,222	555,890	-	-
Raw materials	73,677,480	77,010,156	-	-
Fuel	57,921	61,272	-	-
Amenities	86,520	78,764	-	-
Goods in transit	66,686,460	41,787,105	66,663,268	14,192,166
Store and spares	2,192,758	663,278	1,161,026	218,972
Consumable equipment and spares	101,872	103,425	-	-
	255,010,357	194,109,718	126,141,514	77,805,600

Obsolete inventory are not provided for but are rather written off to profit or loss immediately they are identified.

In 2025, inventories amounting to ₦1.253 billion (2024: ₦1.181 billion) were recognised as expense and included in the cost of sales. During the year, obsolete inventory worth ₦12.2 million (2024: ₦194 million) was recognised in cost of goods sold.

23 Prepayments

23.1 Non-Current

Employee benefits	23.1.1	14,265	16,158	-	-
		14,265	16,158	-	-

23.1.1 Employee Benefits

Opening balance		16,158	7,750	-	-
Movement during the year		(1,893)	8,408	-	-
Closing balance		14,265	16,158	-	-

23.2 Current

Rent	23.2.1	1,688,743	872,291	1,392,114	807,194
Other prepayment	23.2.2	25,183,085	15,676,999	526,666	175,328
		26,871,828	16,549,290	1,918,780	982,522

Prepayment comprises of advance payment to contractors, suppliers, regulators and employees.

23.2.1 Rent

Opening balance		872,291	832,288	807,194	784,707
Movement during the year		816,452	40,003	584,920	22,487
Closing balance		1,688,743	872,291	1,392,114	807,194

23.2.2 Other Prepayment

Opening balance		15,676,999	17,180,535	175,328	21,280
Movement during the year		9,506,086	(1,503,536)	351,338	154,048
Closing balance		25,183,085	15,676,999	526,666	175,328

24 Trade and Other Receivables

Trade receivables		101,689,582	79,322,491	56,819,463	41,254,170
Allowance for expected credit loss		(1,948,796)	(1,987,340)	(998,985)	(1,060,181)
		99,740,786	77,335,151	55,820,478	40,193,989
Due from related parties	24.1	290,725	17,843,587	166,134,897	177,802,857
Staff loan and advances		1,958,690	452,255	1,689,352	163,755
LC advance		29,214,806	73,141,541	23,124,223	72,864,091
Statutory receivable		6,787,947	8,137,101	446,754	393,846
Other receivables		40,499,939	9,648,788	25,152,835	4,750,694
		178,492,893	186,558,423	272,368,539	296,169,232



NIPCO Plc

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Group		Company	
	2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000
24.1 Due from Related Parties				
NIPCO Plc from 11 Plc	-	-	-	6,257,739
NIPCO Plc from 11 Hospitality	-	-	7,196	31,689
NIPCO Plc from 22 Hospitality	-	-	28,398,064	27,034,301
NIPCO Plc from 44 Hospitality	-	-	3,871,462	68,207
NIPCO Plc from CHP	-	-	8,295,418	107,848
NIPCO Plc from NIPCO E&P	-	-	1,772,785	464,216
NIPCO Plc from NIPCO Investments	-	-	123,789,972	126,285,995
NIPCO Plc from Agri Chem	-	17,552,863	-	17,552,863
11 Plc from Purebond	290,725	290,725	-	-
	290,725	17,843,587	166,134,897	177,802,857

Trade Receivables

Trade receivables disclosed above are carried at amortised cost less allowance for impairment losses.

Invoices are due for payment as soon as they are raised except when customers are pre-billed or allowed an extended credit period. No interest is charged on the overdue receivables. The Company has recognised a provision for expected credit loss.

Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Credit limits are reviewed periodically by the Financial Controller.

Provision for Expected Credit Losses

Provisions are made for expected credit losses on all receivables in order to reduce the Company's financial exposure to any losses on bad debts. There are no trade receivables which are past due at the reporting date against which an allowance has not been made. Allowance for credit losses are reversed if all amounts are recovered. The impairment recognized represents the difference between the carrying amount of these trade receivables and the amounts that are deemed recoverable by the Company. The Company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

	Group		Company	
	2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000
24.2 Provision for Expected Credit Losses				
As at 1 January	(1,987,340)	(1,463,257)	(1,060,181)	(878,824)
Charge for the year	38,544	(524,083)	61,196	(181,357)
Balance as at 31 December	(1,948,796)	(1,987,340)	(998,985)	(1,060,181)
25 Cash and Cash Equivalents				
Bank balance	125,576,774	62,426,678	94,615,016	36,274,129
Cash in hand	28,461	24,991	22,780	20,525
Cash in transit	14,343,425	50,090,859	-	-
Short term deposit	9,075,936	2,500,000	-	-
	149,024,596	115,042,528	94,637,796	36,294,654

Cash in transit relates to payment made in foreign currency to vendor through the bank have not credited the vendor's account.

Short-term deposits were placed based on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.



NIPCO Plc

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
26 Share Capital Issued and Fully Paid 187,668,329 ordinary shares of N1 each.	187,668	187,668	187,668	187,668
The share capital of NIPCO Plc consist only of fully paid ordinary shares with a nominal value of ₦1 each.				
27 Share Premium	2,010,588	2,010,588	2,010,588	2,010,588
Proceeds received in addition to the nominal value of the shares issued have been included in share premium, less registration and other regulatory fees and net of related tax benefits.				
28 Borrowings				
28.1 Non-Current				
Bank loan	104,299,387	23,350,203	86,280,000	-
	104,299,387	23,350,203	86,280,000	-
28.1.1 Bank Loan				
Opening balance	23,350,203	31,986,244	-	-
Movement during the year	80,949,184	(8,636,041)	86,280,000	-
Closing balance	104,299,387	23,350,203	86,280,000	-
28.2 Current				
Short term bank overdraft	14,515,100	-	14,515,100	-
Bank loans	5,468,576	4,510,051	137,760	-
	19,983,676	4,510,051	14,652,860	-
28.2.1 Short Term Bank Overdraft				
Opening balance	-	14,985,381	-	14,616,257
Movement during the year	14,515,100	(14,985,381)	14,515,100	(14,616,257)
Closing balance	14,515,100	-	14,515,100	-
28.2.2 Bank Loans				
Opening balance	4,510,051	34,667,476	-	12,652,201
Movement during the year	958,525	(30,157,425)	137,760	(12,652,201)
Closing balance	5,468,576	4,510,051	137,760	-
29 Lease Liability				
Lease rental payables	724,797	382,568	724,797	382,568
	724,797	382,568	724,797	382,568
The lease liability relates to NIPCO Plc lease rental payable to dealers.				
29.1 Lease Rental Payables				
Opening balance	382,568	450,374	382,568	450,374
Movement during the year	342,229	(67,806)	342,229	(67,806)
Closing balance	724,797	382,568	724,797	382,568
30 Pension and Other Employee Obligations				
Defined benefit liability	2,113,443	1,746,804	2,113,443	1,746,804
	2,113,443	1,746,804	2,113,443	1,746,804
30.1 Defined Benefit Liability				
Opening balance	1,746,804	1,332,983	1,746,804	1,332,983
Movement during the year	366,639	413,821	366,639	413,821
Closing balance	2,113,443	1,746,804	2,113,443	1,746,804



NIPCO Plc

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

Pension and Other Employee Obligations (Cont'd)

The current portion of these liabilities represents the Company's obligations to its current and former employees that are expected to be settled during 2025. Other short-term employee obligations arise mainly from accrued holiday entitlement at the reporting date and expected pension payments in the next 12 months (without deduction of plan assets). As none of the employees are eligible for early settlement of pension arrangements, the remaining part of pension obligations for defined benefit plans is considered non-current.

The plan assets are managed by a pension fund that is legally separated from the Group. The board of trustees of the pension fund is required by its articles of association to act in the best interest of the fund and it is responsible for setting the investment policies. The Group has no representation on the board of the fund.

The plan exposes the Group to actuarial risks such as interest rate risk, investment risk, longevity risk and inflation risk:

- **Interest rate risk** – The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the DBO and it is denominated in naira. A decrease in market yield on high quality corporate bonds will increase the Group's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain plan assets.
- **Investment risk** – The plan assets at year end are predominantly real estate, equity and debt instruments. The fair value of the plan assets is exposed to the real estate market in naira. The equity instruments are significantly weighted towards the finance and pharmaceuticals sectors in Nigeria.
- **Longevity risk** – The Group is required to provide benefits for life for the members of the defined benefit liability. Increase in the life expectancy of the members, particularly in Nigeria where the pension payments are linked to CPI, will increase the defined benefit liability.
- **Inflation risk** – A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Group's liability. A portion of the plan assets are inflation-linked debt securities which will mitigate some of the effects of inflation.

The provision for gratuity of ₦2.11 billion (₦1.75 billion for year 2024) are provision for post employment benefits. These balances were professionally valued by an Actuaries for the year ended 31 December 2025 as required by IAS 19.

A reconciliation of the Group's DBO and plan assets to the amounts presented in the statement of financial position for each of the reporting periods is presented below:

	Group		Company	
	2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000
30.1 Defined Benefit Obligation				
Defined benefit obligation 1 January	1,746,804	1,332,983	1,746,804	1,332,983
Current service cost before deduction of beneficiary	151,259	115,156	151,259	115,156
Interest expense	324,918	195,957	324,918	195,957
Changes in discount rate assumption	-	(394,779)	-	(394,779)
Changes in salary rate assumption	-	390,503	-	390,503
Remeasurement – actuarial losses from changes in financial assumptions	35,354	282,281	35,354	282,281
Benefit paid	(144,891)	(175,296)	(144,891)	(175,296)
Defined Benefit Obligation 31 December	2,113,443	1,746,804	2,113,443	1,746,804
Unfunded				
Wholly funded	2,113,443	1,746,804	2,113,443	1,746,804

30.2 Defined Benefit Plan

The Company operates a staff gratuity scheme for all its' confirmed staff. The scheme provides for gratuity benefits at exit of the staff as described below;

Years of Service
Less than 5 years
5 years and above

Benefits
Nil
1 month gross salary for each year of service isat graduated rates depending on the age of employee and years of service.



NIPCO Plc

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Defined Benefit Plan (Cont'd)

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2025 by Giant Consultants Limited (Actuaries, Financial and Human Resource Consultant) - FRC/2025/PRO/NAS/002/974208 and Femi Odutola, Odulana (Fellow of the Consulting Actuaries (FCA)) - FRC/2013/NAS/00000001320.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. Defined benefit plan is not mandated by Nigerian law; it is a voluntary plan for the Company. NIPCO Plc manages the fund. The Defined Benefit Plan scheme is funded scheme.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Financial	2025	2024
Long term average		
Discount rate per annum	17.5%	18%
Average pay increase per annum	18.5%	19%
Inflation rate	18%	17%

The Company assumes that salaries will increase at a real rate of 18% (2024 : 17%) per annum above inflation rate.

30.3 11Plc Retirement Benefits

Defined Contribution Plan

The benefit structure is described as follows:

Eligibility:	All confirmed employees of 11Plc.
Mandatory retirement age:	This is 60 for both male and female staff.
Early retirement:	Allowable from 45 with a minimum of 10 years company services.
Final pensionable salary:	This is the Annual Pensionable Salary (i.e. annual basic salary + annual housing allowance + annual transport allowance + vacation allowance + year end bonus + annual furniture allowance) at date of exit (death, retirement or withdrawal from service).
Years of service:	Accredited service is defined as the length of time, during which employee worked full-time for the Company prior to retirement or death or withdrawal.
Employee savings scheme:	This is payable at retirement and is calculated as 8.33% of annual pensionable salary and multiplied by the years of service, provided 5 years of qualifying service has been rendered at exit.
Pension scheme:	The Defined benefit pension scheme was converted to Defined Contribution on the 31st January 2017 for active employees.

Defined Benefit Plan

The 11Plc Defined benefit plan funding requirements are determined using PENCOM regulations. The plan was fully funded following PENCOM's approval in January 2017 to convert to a Defined Contribution Scheme for active employees. The Annuitants are still under the defined benefit scheme.

The valuation of the fund for Annuitants under the defined benefit scheme is as follows:

The valuation was carried out by Alexander Forbes Consulting Actuaries Nigeria (FRC/2012/002/00000000504) and Wayne Van Jaarsveld (FRC/2021/002/0000000024507).



NIPCO Plc

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Carrying Value	Group		Company	
	2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000
Pension liability	(499,447)	(542,388)	-	-
Fund at market value	738	120,645	-	-
	(498,709)	(421,743)	-	-
Plan Asset Classification Summary				
Fixed deposit	491	59,699	-	-
Government bond	14,526	71,216	-	-
Cash	-	2,124	-	-
Receivables	8	3	-	-
Payables	(14,287)	(12,397)	-	-
	738	120,645	-	-

Key Assumptions Used

The following assumptions were also used by the Actuary in the calculation of the Company's Plan Expense, Plan Asset and Defined Benefit Obligation.

	2025	2024	2025	2024
Discount rates used	17.50%	17.70%	17.50%	17.70%

In order to measure the liability, the projected benefit obligation is discounted to a net present value as at the current balance sheet date.

IFRS through IAS 19 requires that the discount rate be determined on the company's balance sheet date by reference to market yields on high quality corporate bonds, except where there is no deep market in such bonds, in which case the discount rate should be based on market yields on high Government bonds.

The discount rate should reflect the duration of liabilities of the benefit program.

The weighted average liability duration for the Plan is 4years. The average weighted duration of a similar Nigerian Government Bond as at 31st of December, 2025 was 4years with a gross redemption yield of 17.50%.

In view of the above, the actuary adopted 17.70% per annum as the discount rate for the current valuation.

Fund management and regulatory expenses are charged directly to the fund on an on-going basis.

Demographic Assumptions:

Mortality: The rate of mortality assumed in the plan are the rates in PA (90) ultimate table. The Mortality is age related.

Age now	Average number of death per 1,000 lives	
	Male	Female
60	161	70
70	386	204
80	896	582
90	1,942	1,552
100	3,713	3,530
110	5,913	6,184



GROUP ANNUAL REPORT

NIPCO Plc

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	2025 N'000	2024 N'000	2025 N'000	2024 N'000
31 Trade and Other Payables				
31.1 Non-Current				
Deferred income	13,305,953	26,152,204	-	-
	13,305,953	26,152,204	-	-
31.1.1 Deferred Income				
Opening balance	26,152,204	4,505,343	-	-
Movement during the year	(12,846,251)	21,646,861	-	-
Closing balance	13,305,953	26,152,204	-	-
31.2 Current				
Trade payable	347,083,213	359,062,771	203,901,703	187,354,682
Deferred income	16,324,722	11,251,286	35,677	35,677
Due to related parties	188,959,947	40,224,582	126,856,447	80,565,508
Other payables	24,993,121	27,532,949	496,739	739,084
	577,361,003	438,071,588	331,290,566	268,694,951
31.2.1 Due to Related Parties				
NIPCO Plc to 11 Plc	-	-	22,844,135	18,253,872
NIPCO Plc to NIPCO Gas	-	-	33,020,298	53,280,422
11 Plc to Agric Chem	80,184,024	31,193,369	-	-
11 Hospitality Ltd to Agric Chem	901,167	-	-	-
Capital Hotels Plc to Agric Chem	5,709,460	-	-	-
NIPCO Plc to Agric Chem	58,663,163	-	58,663,163	-
NIPCO Gas to Purebond	2,096,980	-	-	-
NIPCO Gas to Agric Chem	29,076,301	-	-	-
NIPCO Plc to Purebond	12,328,852	9,031,214	12,328,852	9,031,214
	188,959,947	40,224,582	126,856,447	80,565,508

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are settled within the pre-agreed credit terms.

The fair value of trade and other payables approximate its carrying amount.

32 Contract and Other Liabilities				
Accruals	18,955	-	-	-
Statutory payables	7,674,410	5,615,421	4,073,320	2,316,593
Contract liability	70,184,846	-	32,405,185	-
Other liabilities	28,813,458	91,843,365	26,148,541	90,230,935
Unclaimed dividend	2,976,150	2,556,517	1,439,206	1,019,573
PEF payable	10,524,164	13,899,448	3,247,676	12,878,870
Professional fee payable	136,939	200,891	42,239	56,751
	120,328,922	114,115,642	67,356,167	106,502,722

33 Segment Reporting

As at 31 December 2025, the Group had five reportable business segments:

- (i) Petroleum products marketing
- (ii) Natural gas
- (iii) Liquefied petroleum gas business
- (iv) Hospitality services
- (v) Investment property services



NIPCO Plc

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

	Petroleum Products Marketing	Natural Gas	Liquefied Petroleum Gas Business	Hospitality Services	Investment Property Services	Total
31 December 2025	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	2,479,252,826	69,899,329	176,775,375	60,143,719	-	2,786,071,249
Cost of sales	(2,388,963,551)	(62,181,452)	(167,676,748)	(37,914,248)	-	(2,656,735,999)
Operating expenses	(77,007,449)	(34,033,112)	(5,213,102)	(8,285,918)	(1,479,396)	(126,018,977)
Other income	3,627,231	30,125,501	-	(34,493)	22,744,296	56,462,535
Finance income	2,891,500	479	-	364,455	-	3,256,434
Finance cost	(8,585,935)	(3,064,126)	(581,234)	-	-	(12,231,295)
Profit before tax	11,214,622	746,619	3,304,291	14,273,515	21,264,900	50,803,947
Taxation	(6,871,821)	(665,893)	(319,807)	610,536	(2,631,686)	(9,878,671)
Profit after tax	4,342,801	80,726	2,984,484	14,884,051	18,633,214	40,925,276

	Petroleum Products Marketing	Natural Gas	Liquefied Petroleum Gas Business	Hospitality Services	Investment Property Services	Total
31 December 2024	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	2,025,447,105	53,271,572	214,171,232	38,740,034	-	2,331,629,943
Cost of sales	(1,923,029,376)	(40,914,485)	(211,431,781)	(29,089,617)	-	(2,204,465,259)
Operating expenses	(77,665,588)	(28,062,580)	-	(6,664,169)	(2,254,147)	(114,646,484)
Other income	10,068,961	20,079,207	-	484,404	10,032,081	40,664,653
Finance income	5,940,644	-	-	-	-	5,940,644
Finance cost	(11,173,294)	(4,782,891)	-	-	-	(15,956,185)
Profit before tax	29,588,452	(409,177)	2,739,451	3,470,652	7,777,934	43,167,312
Taxation	(11,560,464)	-	(1,037,692)	(78,059)	(2,631,686)	(15,307,901)
Profit after tax	18,027,988	(409,177)	1,701,759	3,392,593	5,146,248	27,859,411

There is no disclosure of the profit for the period, depreciation and amortisation, assets and liabilities for each operating segment because management based its performance assessment on the gross margin from each operating segment and assets and liabilities of the Company are not directly related to a segment.

34 Related Party Transactions

The Group's related parties include its ultimate parent, subsidiaries, sub-subsidiaries, other corporate entities, and key management personnel. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

	Group		Company	
	2025	2024	2025	2024
	₦'000	₦'000	₦'000	₦'000
34.1 Ultimate controlling party - Purebond Limited	14,135,107	8,740,489	(12,328,852)	(9,031,214)
34.2 Related Company - Agri Chemical Limited	174,534,115	13,640,506	(58,663,163)	17,552,863
34.3 Transactions with Subsidiaries				
NIPCO Investments Limited	-	-	123,789,972	126,285,995
NIPCO Gas Limited	-	-	(33,020,298)	(53,280,422)
NIPCO E&P Limited	-	-	1,772,785	464,216
34.4 Transactions with Sub-subsidiaries				
11 Plc	-	-	(22,844,135)	(11,996,132)
11 Hospitality Limited	-	-	7,196	31,689
Capital Hotels Plc	-	-	8,295,418	107,848
22 Hospitality Limited	-	-	28,398,064	27,034,301
44 Hospitality Limited	-	-	3,871,462	68,207



NIPCO Plc

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

34.5 Key Management Personnel

The Directors (both executive and non-executive) and key management personnel are:

Chief (Dr) Bestman P. Anekwe	Chairman
Suresh Kumar	MD/CEO
Alhaji Abdulkadir Aminu (Wali Adamawa)	Group Executive Director
Chiranjibi Roka	Chief Operating officer

The table below shows the number of Directors of the Company (excluding the Chairman) whose emoluments during the year, excluding pension contributions, fell within the bands shown below:

	Group		Company	
	2025 Number	2024 Number	2025 Number	2024 Number
Employees				
₦10,000,000 and above	5	5	3	3
	5	5	3	3

Remuneration of Key Management Personnel

The remuneration of the Directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	Group		Company	
	2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000
34.5.1 Directors fees	226,064	226,608	22,487	21,610
Chairman	88,138	88,138	12,600	12,600
Highest paid Director				

35 Commitments and Contingencies

The Directors believe all known commitments and liabilities which are relevant in assessing the Company's state of affairs have been taken into consideration in the preparation of these financial statements.

36 Events After The Reporting Date

There are no significant events after the reporting date which could have a material effect on the state of affairs of the Company as at 31 December 2025 that have not been adequately provided for or disclosed in the financial statements.

37 Authorization of Financial Statements

The financial statements for the year ended 31 December 2025 were approved by the Board of Directors on **9 June 2026**.

OTHER NATIONAL DISCLOSURES



GROUP ANNUAL REPORT

NIPCO PLC

CONSOLIDATED STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2025

	Group				Company			
	2025 ₦'000	%	2024 ₦'000	%	2025 ₦'000	%	2024 ₦'000	%
Revenue	2,786,071,249		2,331,629,943		1,979,256,708		1,458,457,892	
Other income	56,462,535		40,664,653		2,398,779		7,901,017	
Bought materials and services	(1,966,987,631)		(2,282,238,442)		(1,864,034,295)		(1,425,035,131)	
Value Added	875,546,153	100	90,056,154	100	117,621,192	100	41,323,778	100
Applied as follows:								
To Pay Employees:								
Salaries, wages and other benefits	5,197,193	1	3,978,799	4	2,379,582	2	2,058,422	7
To Pay Government:								
Income and education taxes	10,478,524	1	10,812,598	14	5,043,972	4	8,316,909	15
To Pay Providers of Capital:								
Finance costs	12,231,295	1	15,956,185	17	7,666,210	7	8,225,853	29
Assets Replacement Provision:								
Depreciation & amortisation	36,752,150	4	33,140,256	30	14,619,409	12	11,572,524	31
To Provide for the Future:								
Retained profit	810,886,991	93	26,168,316	35	87,912,019	75	11,150,070	18
	875,546,153	100	90,056,154	100	117,621,192	100	41,323,778	100

Value added represents the wealth created through the efforts of the Company, its management and employees. The statement shows the distribution of the generated wealth amongst employees, the government, providers of capital, assets replacement provisions and amount retained for future creation of wealth.



GROUP ANNUAL REPORT

NIPCO PLC

FIVE YEARS FINANCIAL SUMMARY

	Group				
	2025	2024	2023	2022	2021
	₦'000	₦'000	₦'000	₦'000	₦'000
Assets Employed					
Non-current assets	1,723,321,904	371,855,478	343,058,844	348,099,710	280,733,493
Current assets	609,399,674	512,259,959	300,280,985	171,537,370	111,951,499
Total Assets	2,332,721,578	884,115,437	643,339,829	519,637,080	392,684,992
Financed By					
Share capital	187,668	187,668	187,668	187,668	187,668
Share premium	2,010,588	2,010,588	2,010,588	2,010,588	2,010,588
Other components of equity	810,879,089	123,427,818	125,118,913	120,617,323	75,187,554
Retained earnings	124,768,361	89,570,766	65,658,530	63,132,837	40,432,190
Non-controlling interest	100,060,722	14,720,604	14,516,457	18,028,559	7,524,753
Non-current liabilities	564,630,915	81,942,474	64,022,531	79,244,976	97,636,169
Current liabilities	730,184,236	572,255,519	371,825,142	236,415,129	169,706,070
Total Equity and Liabilities	2,332,721,578	884,115,437	643,339,829	519,637,080	392,684,992
Statement of Profit or Loss					
Revenue	2,786,071,249	2,331,629,943	1,243,549,483	850,249,596	551,350,194
Profit before tax	50,803,947	43,167,312	37,530,502	28,653,275	10,162,745
Income tax expense	(9,878,671)	(15,307,901)	(8,191,929)	(11,039,580)	(4,464,509)
Profit for the year	40,925,276	27,859,411	29,338,573	17,613,695	5,698,236
Attributable to:					
Owners of the Company	36,511,272	24,836,416	25,225,066	14,669,964	4,620,046
Non-controlling interest	4,414,004	3,022,995	4,113,507	2,943,731	1,078,190
Per Share Data {in NGN}					
Earnings per share	218.07	148.45	156.33	93.86	30.36
Total assets per share	12,430.04	4,711.06	3,428.07	2,768.92	2,092.44

The calculation of Earning Per Share EPS and Total Asset Per Share for each of the years are based on the Ordinary Share Capital in issue on each period end date.

NIPCO PLC

FIVE YEARS FINANCIAL SUMMARY

	Company				
	2025	2024	2023	2022	2021
	₦'000	₦'000	₦'000	₦'000	₦'000
Assets Employed					
Non-current assets	260,001,826	94,422,689	80,983,435	85,135,228	60,161,898
Current assets	495,066,629	411,252,008	293,302,769	197,184,158	165,846,584
Total Assets	755,068,455	505,674,697	374,286,204	282,319,386	226,008,482
Financed By					
Share capital	187,668	187,668	187,668	187,668	187,668
Share premium	2,010,588	2,010,588	2,010,588	2,010,588	2,010,588
Other components of equity	146,421,840	70,736,578	71,014,583	71,150,708	49,228,077
Retained earnings	41,509,063	30,595,984	20,106,251	33,001,593	25,338,147
Non-current liabilities	145,870,934	18,246,729	19,326,186	2,949,683	18,106,903
Current liabilities	419,068,362	383,897,150	261,640,928	173,019,146	131,137,099
Total Equity and Liabilities	755,068,455	505,674,697	374,286,204	282,319,386	226,008,482
Statement of Profit or Loss					
Revenue	1,979,256,708	1,458,457,892	780,079,582	461,264,956	298,978,291
Profit before tax	17,270,729	18,251,706	9,620,211	10,972,030	4,052,483
Income tax expense	(5,043,972)	(6,823,631)	(4,411,989)	(2,698,662)	(2,041,074)
Profit for the year	12,226,757	11,428,075	5,208,222	8,273,368	2,011,409
Per Share Data {in NGN}					
Earnings per share	65.15	60.90	27.75	44.09	10.72
Total assets per share	4,023.43	2,694.52	1,994.41	1,504.36	1,204.30
Dividend per share	8.00	7.00	5.00	5.00	3.25

The calculation of Earning Per Share EPS and Total Asset Per Share for each of the years are based on the Ordinary Share Capital in issue on each period end date.



NIPCO PLC PROXY FORM

The 21st Annual General Meeting of NIPCO PLC will be held at the Ladi Kwali Hall of ABUJA CONTINENTAL HOTELS (formerly Sheraton Hotels, Abuja), 1, Ladi Kwali Way, Maitama, Abuja on Thursday July 9 2026 at 12.00noon

I/We.....being a member/members of NIPCO Plc, hereby appoint.

..... or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us or on my/our behalf at the Annual General Meeting of the Company to be held on July 9 2026 and at any and every adjournment thereof at 12.00noon

Dated this day of 2026

Shareholder's signature.....

A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by Proxy. The above proxy Form has been prepared to enable you exercise your right to vote in case you cannot personally attend the meeting.

Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish you may insert in the blank space marked** on the form, the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf instead of the Chairman of the meeting.

Please sign the above and post it so as to reach the address shown overleaf not later than 48 hours before the date of the Annual General Meeting If executed by a corporation, the proxy form should be sealed with the common seal. The proxy must produce the Admission Card sent with the Notice of the Meeting to obtain entrance to the Meeting.

.....

Before posting the above card, tear off this part and retain it for admission into the meeting.

ADMISSION CARD

NIPCO PLC

Please admit to the Annual General Meeting of NIPCO Plc which will be held at 12noon on July 9 2026 at Ladi Kwali Hall of ABUJA CONTINENTAL HOTELS (formerly Sheraton Hotels, Abuja), 1, Ladi Kwali Way, Maitama, Abuja, Nigeria.

Signature of person attending

IMPORTANT:

- a) This admission card must be produced by the shareholder or his proxy in order to obtain entrance to the Meeting.

No.	Resolutions	VOTES	
		For	Against
1.	To declare a Dividend;		
2.	To lay before the members, the Audited Financial Statements, the Reports of the Directors, Report of Auditors and Statutory Audit Committee thereon;		
3.	To authorize the Directors to fix the remuneration of the External Auditors for the 2025 financial year;		
4.	To disclose the remuneration of the Managers;		
5.	To elect / re-elect Directors;		
6.	To elect /re-elect members of the Statutory Audit Committee;		
	To consider and if thought fit, pass the following resolution as ordinary resolutions of the Company.		
7.	To fix the remuneration of the Directors.		

Please indicate an 'X' in the appropriate box how you wish your votes to be cast on the resolutions referred to above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.



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*Please affix
Postage Stamp*

*The Registrar,
CORONATION Registrars Limited,
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